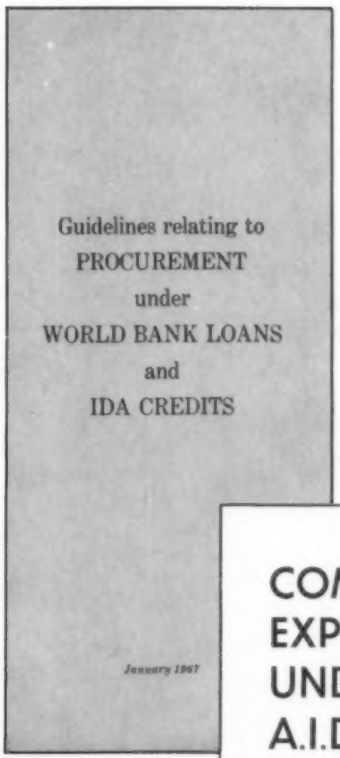
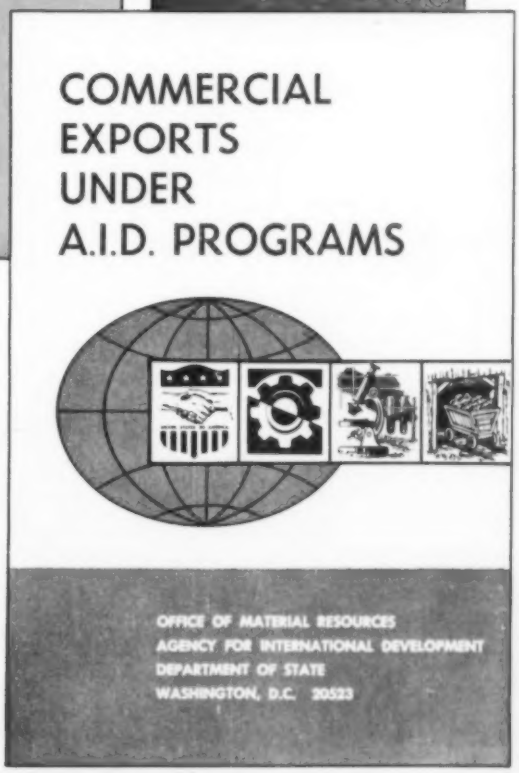
A U.S. DEPARTMENT OF COMMERCE WEEKLY

International Commerce

March 11, 1968

Sources of export financing





International Trade Winds

Company News

COMMUNICATIONS—Selenia, S.p.A., an Italian affiliate of Raytheon Co., Lexington, Mass., will install a microwave communications system carrying 48 telephone channels across the African countries of Kenya, Tanzania, and Uganda. The system will connect Uganda's capital city of Kampala with Fort Portal and Gulu, a 500-mile distance from Kampala. In Kenya, the system will originate at Mombasa, a seaport, and will link Voi and Vuria. The Tanzania branch will interconnect Tanga, Kilulu, Opara, and Moshi. Automatic alarm systems will insure uninterrupted operation of the microwave installations.

TRAFFIC CONTROLS—Crouse-Hinds de Venezuela, C.A. an affiliate of Crouse-Hinds Co., Syracuse, N.Y., has finished installation of traffic signals and control devices on a seven-mile long expressway in Caracas, Venezuela. Ten solid-state controllers monitor the intersections along the route, making the project the biggest order filled to date by Crouse-Hinds de Venezuela.

PHARMACEUTICALS—Eli Lilly International Corp., Indianapolis, has announced an agreement with the Alembic Chemical Works Co., Ltd., Baroda, India, for the production in India of the broad-spectrum antibiotic erythromycin. Lilly will provide the microorganism used to produce the drug and will also pass on its erythromycin technology to the Indian firm.

BANKING—Marine Midland Grace Trust Co., New York, has opened an office in Frankfurt, marking the bank's first foothold in Germany. Main object of the new office are services to the bank's clients in the Federal Republic and the examination of investment possibilities for the bank in Germany and the rest of Europe.

DATA PROCESSING—California Computer Products, Inc., Anaheim, Calif., has established a sales subsidiary in Duesseldorf, to be called Calcomp G.m.b.H. The new company has taken over the assets and liabilities of the parent company's former German agent. The company works in the field of graphic instruments and data processing equipment.

Newsletter

By now the subscribers to INTERNATIONAL COMMERCE have their copies of the new computerized index to all 1967 issues. About 2500 articles are listed under 62 subject headings. Can non-subscribers get it? Yes, at 45 cents a copy from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402, or from any Department of Commerce Field Office.

"Look what $16 will bring you 52 times a year." Sounds like an INTERNATIONAL COMMERCE ad—and it is. Our thanks to the West Penn Power Co. of Greensburg, Pa., for the notice in its February "Foreign Trade Review." The power company's Area Development Dept. is not only boosting this magazine (they send a free copy to any of their customers requesting one) but also spotlighting the international departments of three banks, describing the services of foreign freight forwarders and listing exporters' workshops. That's turning the power on for U.S. exports.

Time to begin planning for World Trade Week, not far off in mid-May. Observances are local, vary according to circumstance and initiative. The U.S. Chamber of Commerce offers guidance and stimulus at the national level. An early note from Seattle: World Trade Club president Douglas K. Loth there discloses establishment of a World Trade Man-of-the-Year Award for May presentation, to "emphasize the value of greater trade, understanding and good will between the people of Washington State and the people of the world."

Four "good, sound business reasons" are advanced by Pan American World Airways World-Wide Marketing Service for concentrating on exports now: new growth and profit opportunities to set against tighter competition domestically, bigger markets abroad due to rising prosperity there, eased price competition abroad due to climbing labor costs there, and Kennedy Round tariff reductions—targeted right on the best U.S. export prospects.

The U.S. lead in scientific research also extends to the field of getting the results to people who can use them. This aspect of American achievement, often not appreciated within this country, is featured in a new OECD review of U.S. science policy. A whole new industry, says OECD, is arising out of information policy and the development of automated documentation and information processing. European countries, the OECD concludes, can draw lessons from U.S. practices in this field.

NOTICE: This information is offered to preview or provide informally brief and varied comment on Bureau of International Commerce worldwide export and investment promotions. It is not final and does not substitute for detailed know-how and analysis in our regular news columns.

U.S. Department of Commerce

C. R. Smith
Secretary

Lawrence C. McQuade
Assistant Secretary for Domestic and International Business

Lawrence A. Fox
Director, Bureau of International Commerce

Clarence M. Zens
Managing Editor

America A. W. Favale
Director of Graphics

Annual subscription $16.00 ($5.00 additional for foreign mailing). Single copy 35 cents. Domestic subscribers desiring airmail service must submit $25.00 additional for postage. Make remittance payable to the Superintendent of Documents and mail either to any U.S. Department of Commerce Field Office or to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

All subscription inquiries and address changes should be directed to the Superintendent of Documents at the above address. This is the central distribution agency for all U.S. Government periodicals.

Expressions herein from private sources are meant to stimulate thought toward the solution of problems confronting the international businessman and to provide constructive suggestions, but they are personal opinions. Contents of this publication are not copyrighted unless so indicated. Noncopyrighted materials may be reprinted freely. Mention of source will be appreciated. Use of funds for printing this publication approved by the Director of the Bureau of the Budget on June 17, 1966.

the cover

A presentation of publications issued by major official agencies that finance world exports introduces this week's special section on sources of funds for world trade. Both U.S. and international organizations are covered, and the report gives details on the unit's function, annual lending volume, interest rates, size and use of loans, preferred borrowers, and total resources. The series, which was prepared in the Bureau of International Commerce's International Finance Division, begins on Page 2.

March 11, 1968

Volume 74
Number 11

International Commerce

Published by
BUREAU OF INTERNATIONAL COMMERCE

Special Report — World Sources of Export Financing Reviewed for U.S. Suppliers, Pages 2-11

New Secretary Has World Background 12
C. R. Smith, head of American Airlines since 1934, has record as innovator in field of air transport services

U.S. Trade, 1967, Summarized by Area 13
Exports and imports climbed to record levels, almost entirely as result of expanded trade with developed countries

Chicago Trade Conference at Crossroads 16
'Where do we go from here' was recurrent theme as traders studied new investment controls, other changes

MISCELLANEOUS—Three 'E' Awards presented at Chicago trade conference 20
Interest, other transfers covered by two new investment rules 22
TRADE FAIRS AND CENTERS—Hospital equipment wins Japanese buyers 23
WORLDWIDE BUSINESS OUTLOOK—Lebanon economic recovery expected 24
Confident Panama expects 1968 to be even better than record 1967 27
Labor-saving equipment has highest import potential in Norway 29
Central African Republic's new plan invites private investors 30
Strong Indian crop year promises record national income 31
Mauritius invites investors as independence dawns; industries needed 33
Overseas visitors to United States at record 33
Ghana liberalizes policy on repatriation of profits 33
INVESTMENT OPPORTUNITIES—Venezuela seeks U.S. firms for industrial zone 34
Americans offered licenses to make variety of European products 35
TRADE OPPORTUNITIES—Bidders given details for Mexico projects 37
NEW BOOKS AND REPORTS—Seven new OBR's released 44

WHERE THE MONEY IS

How official agencies finance world business

Furnish several billion dollars each year for imports by developing nations

By RAYMOND M. TOLER
International Finance Division
Bureau of International Commerce

Two agencies of the U.S. Government and several international agencies of which the U.S. is a member are currently making long-term loans (over five years' maturity) totaling several billion dollars a year to both foreign governments and to private entities in foreign countries. Most of the loans are to developing countries and the proceeds are used to import capital equipment and other goods from industrialized countries.

TOLER

The agencies which make these loans, and whose activities are described in the next 10 pages, are:

The *U.S. Export-Import Bank* (*Eximbank*), which makes hard loans to foreign borrowers for imports of capital equipment and other U.S. goods and services;

The *U.S. Agency for International Development* (AID), which makes soft foreign aid loans to less-developed countries and requires that the funds be spent on U.S. goods and services;

The *International Bank for Reconstruction and Development* (IBRD), or World Bank, which makes loans on conventional economic assistance terms to foreign countries for financing infrastructure projects and other development activities;

The *International Development Association* (IDA), which makes development loans with very soft repayment terms to less-developed countries unable to meet the more conventional repayment requirements of the World Bank;

The *International Finance Corporation* (IFC), which encourages private enterprises in developing countries by providing debt and equity capital in cooperation with private investors;

The *Inter-American Development Bank* (IDB), which makes loans to Latin American countries (a) on conventional economic assistance terms from its Ordinary Capital resources and (b) on soft terms from its Fund for Special Operations.

U.S. exporters of capital equipment and other basic goods and services should place these agencies' borrowers high on their lists of potential customers. Most of the loans are in U.S. dollars or other convertible currencies and are to finance specific development projects (dams and irrigation systems, electric power, highway construction, cement and fertilizer plants, and similar projects).

U.S. exporters can, through agents in foreign countries, Washington representatives, and other channels, learn of bid invitations for projects being financed by the agencies and then submit bids to the foreign borrower for the supply of equipment and other goods that may be needed in the project.

Although contracts are often negotiated on a conditional basis before a loan is actually made, it is also desirable for U.S. exporters to be placed on these agencies' mailing lists for press releases in order to keep informed of projects for which financing has been approved. Many of the projects are very large, and a particular U.S. firm can often supply goods under a sub-contract even if it is not the prime supplier. Many loans and bid tenders are listed in INTERNATIONAL COMMERCE.

Average annual lending, fiscal 1965-67

(millions of dollars)

	Africa	Asia	Latin America
AID	98	1,184	499
Exim.	29	276	306
IBRD	123	326	290
IDA	60	228	9
IFC	6	13	14
IDB	NA	NA	308
	316	2,027	1,426

The agencies can also assist U.S. firms desiring to make investments in less-developed countries by making loans to provide part of the needed capital. Very large overseas projects, for example, can sometimes be financed by a credit mix involving loans from one or more of the official agencies, loans from private banks, and both loan and equity participation by U.S. and local interests.

Avoid private competition

The agencies do not compete with private capital, however, and will generally not extend a loan if private financing is available on reasonable terms.

By and large, the majority of the loans by these official agencies have been to governments or government entities, with funds channeled to the private sector either through the financing of general import programs or through providing capital to local development finance institutions. Many loans, however, are made directly to private entities, particularly by the Eximbank.

Of the agencies discussed in this article, the U.S. Agency for International Development is the largest source of finance for general import programs, and such program loans currently account for about half of AID's total development assistance. Program loans are made to governments, which either use the funds to finance essential imports in the public and private sectors.

The U.S. exporter being paid with such funds usually receives cash from a bank in the U.S. by drawing against a letter-of-credit procedure as soon as a shipment has been made and the required documentation presented. In fact, this procedure is commonly used by most of the official agencies, so credit and exchange risks are greatly minimized.

Local development banks and similar intermediate credit institutions have shown a rapid expansion in the develop-

ing countries. A recent study by the Organization for Economic Cooperation and Development (OECD) lists over 340 such institutions, of which more than half have come into existence in the last ten years. These institutions are, on the whole, receiving increased amounts of capital from the large official agencies, although only a portion have received such assistance.

The usual procedure is for a local development bank, which may be either a public or private entity, to receive a loan on the official agency's regular terms and then to re-lend the funds at more stringent terms suitable to both the project being financed and the local cost of capital on the private market.

Terms vary considerably

Actual relending terms vary considerably, with interest rates generally falling anywhere from 6% to 14%; the repayment period hardly ever exceeds 20 years and is usually considerably less.

Both the Eximbank and AID have outstanding loans to local development banks in many countries throughout the world. There are still uncommitted funds available under such credits.

If a U.S. exporter or investor has a particular developing country in mind, he can write to AID or Eximbank to determine the availability of such funds for relending by development banks. A foreign affiliate of the U.S. firm might receive such a loan, although the local development banks generally concentrate on lending to purely domestic firms. More importantly, a U.S. exporter might wish to refer a foreign customer to such an institution as a possible source of additional funds.

Although the official agencies make loans to local development banks for both agricultural and industrial relending, the majority of these local institutions concentrate on financing private manufacturing and other industrial enterprises.

Although the official agencies discussed in this article have stable lending policies that are not subject to frequent change or modification, several have altered various aspects of their operations in the last few years. Most notable have been moderate increases in the interest rates and other fees which these agencies charge on their loans. These increases reflect the rising cost of funds on private capital markets, which are an important source of lending resources for many of the agencies.

Nevertheless, several of the agencies have shown large increases in their annual lending volume.

AID in brief

Function: Makes soft foreign-aid loans to less-developed countries.

Annual lending volume (fiscal 1967): Development loans—$1.1 billion. Supporting assistance grants and loans and other special financing (not including technical assistance)—$0.8 billion.

Loan maturities: Generally 40 years, including 10-year grace period. For countries with good debt-servicing prospects, 15 to 25 years, including a 5-year grace period. More conventional terms for private entities.

Current standard interest rates and fees: 2% interest during grace period, 2½% thereafter. For countries with good debt-servicing prospects, 3½% during entire life of loan. Higher rates for private entities.

Size of loans (fiscal 1967): Project loans—$90,000 to $41.2 million; program loans—$7.5 million to $132 million.

Borrowers: Generally governments or government entities in less-developed countries but sometimes private entities under two-step repayment procedure (see text).

Use of loans: For procurement of U.S. goods and services and (with special U.S. balance-of-payments safeguard) some limited local cost financing. Suppliers generally chosen through competitive bidding.

Resources: Annual appropriations by U.S. Congress. Fiscal 1968 appropriation —$1.8 billion for non-military economic assistance, including U.S. contributions to international organizations.

Address: Agency for International Development
Department of State
21st and Virginia Ave., NW.
Washington, D.C. 20523

AID channels most of assistance through foreign governments

Emphasis is on lending for general import programs in developing countries; agency guarantees investments against war, expropriation

The Agency for International Development, which is an agency of the U.S. Department of State, administers the U.S. foreign economic assistance program. AID came into existence under the provisions of the Foreign Assistance Act of 1961, which combined two U.S. foreign assistance agencies and certain smaller units which previously had a separate existence.

About half of the assistance that AID provides to foreign countries is in the form of development loans. The remainder is mainly in the form of either supporting assistance grants and loans to countries such as Vietnam, Laos, and Korea or technical assistance to a large number of countries.

In addition to the above activities, AID provides local currency financing to borrowers in some less-developed countries. It also has a program of investment guarantees to cover U.S. investors in less-developed countries against such risks as war, expropriation, and inconvertibility of profits. Both the local-currency loan program and the investment guarantee program will be covered in a later INTERNATIONAL COMMERCE article.

115 loans last year

In fiscal 1967, AID authorized 115 development loans to 39 countries for a total of $1,108 million. This compares with $1,170 million in development loans in 1965 and $1,232 million in 1966. In addition to its development loan activities, AID authorized about $770 million in supporting assistance grants and loans and other special financing.

Technical assistance operations, through

which AID finances salaries of U.S. scientific and technical advisors, training of local personnel, and specific economic, political, and scientific studies, totaled over $300 million.

AID development loans are generally made at the request of foreign governments or their agencies. In some cases AID loans are made to private enterprises in foreign countries, and AID also makes a considerable number of loans to development banks and other financing institutions, which in turn relend to private enterprises.

An increasing portion of AID's development lending has been in the form of non-project assistance. Instead of assisting specific projects, such assistance provides financing for general import programs by foreign countries, subject to overall U.S. approval as to the categories of commodities purchased. In fiscal 1967, such program loans totaled about $607 million, or 55% of total development loan activity. India, Pakistan, Brazil and Colombia were the largest recipients of such financing, and together received $477 million in non-project development loan funds. All of these and other AID development loan funds are for purchases from the U.S., and the U.S. is further attempting to ensure that these AID-financed purchases do not substitute for commercial purchases that would take place in any event.

New loan policy

AID has recently initiated a new policy of making so-called sector loans. Like the program loans, these will be used for general imports from the U.S., with the recipient government having primary, but generally limited, discretion as to the specific commodities that will be purchased.

Under the sector-loan approach, however, loans will be made to finance improvements in individual areas of the economy (such as transportation, agriculture, education). The commodities are frequently restricted, at least in part, to those needed in the sector to which the loan is directed. Certain targets are set for the importation of specific commodity categories (e.g., fertilizer) with either AID funds or the country's own foreign exchange. AID feels that by thus correlating non-project lending with specific sectors of the recipient country's economy, it can more readily influence improvements.

Although AID extends foreign assistance to many countries, most of it is concentrated among a relatively small group of nations. In fiscal 1967, for example, ten countries received 75% of AID's total country assistance.

The largest recipient of development loans was India, which received $203 million, followed closely by Brazil, which received $198 million. Other large recipients were Turkey, Pakistan, and Colombia which received over $100 million each.

The largest recipient of supporting assistance was Vietnam, which received $490 million. Korea, Laos, and Thailand also received over $30 million each in supporting assistance, and Korea received a substantial volume of development loans as well.

Concentrates aid

In presenting its fiscal 1968 program to Congress, AID announced its intention to continue concentrating its assistance among a relatively small group of countries. It also pledged continued emphasis on the three priority areas of agriculture, health, and education. Particular emphasis was put on agriculture—the War on Hunger—and AID proposed to provide assistance totaling $746 million to improve agricultural production in developing countries. This would represent a 48% increase over 1967 activity in this area.

AID's development loans are made in dollars and repayment is in dollars. The loans are usually repayable over a period of 40 years, including a ten-year grace period.

Since the passage of the Foreign Assistance Act of 1964, AID's loans have generally carried an annual interest rate of 1% during the grace period and 2½% during the repayment period. The recently-passed Foreign Assistance Act of 1967, however, raises the interest rate during the grace period to 2%. When the debt-servicing prospects of a country have sufficiently improved to justify harder terms, subsequent AID loans are made at 15 to 25 years, including up to 5 years grace, and interest at 3½%.

Two-step repayment

For those loans that AID makes to private borrowers, as well as for some loans to revenue-producing public entities, a two-step repayment procedure is used. Under this procedure the foreign borrower repays the loan to its government on relatively hard, conventional terms (around 10 to 20 years with an interest rate of 5½% to 8%.) The foreign government then repays AID in dollars on the standard "country" terms, usually 40 years at 2½%.

AID has overseas missions in many less-developed countries, which assist the country's government in deciding the priorities of projects to be financed. In fiscal 1967, AID authorized $104 million in development loans for power projects and $100 million for transportation projects. In the same year, $68 million was authorized for food and agriculture projects and $66 million for industry and mining projects.

The largest project loan in fiscal 1967 was $41.2 million to increase the generating capacity of the Santa Cruz thermal power plant in Brazil. The smallest loan was $90,000 to finance construction of the Monrovia Bypass Road in Liberia.

Funds from AID project loans may be used to meet dollar costs and, in some cases, local costs. When AID finances local costs, however, a special procedure is used to ensure that the dollars are eventually spent on U.S. goods and services, thus avoiding any outflow of dollars that would be detrimental to the U.S. balance-of-payments position. In a few instances, particularly in the case of Vietnam, some procurement may be allowed from third countries. As with local cost financing, however, reimbursement to the third countries is in the form of special letters of credit for the purchase of U.S. goods and services.

Most procurement under AID loans is through open tender, particularly in the case of program loans and other loans for the large-scale importation of a broad range of commodities.

Where to find them

Bid tenders are published in the *Small Business Circular*, obtainable from AID's Office of Small Business, and in the *Commerce Business Daily*, available from Commerce Department Field Offices. Procedures are set forth for each bid, and the tenders are timed to allow U.S. manufacturers and exporters sufficient opportunity to get their bids to the purchaser abroad.

In addition to the open bid procedure, AID-financed sales can in some cases be negotiated in advance, particularly for project loans where obtaining the capital equipment is an integral part of the loan proposal. For those countries which receive AID program loans or a sizable volume of AID project loans, companies often find it desirable to use on-the-spot agents to scout out future business.

A very wide range of commodities is exported under AID financing. Total commodity procurement from the U.S. was $1.35 billion in fiscal 1967. The larger categories of goods procured were: chemicals, fertilizers, and related products—$259 million; motor vehicles, engines, and parts—$127 million; miscellaneous industrial machinery—$124 million; electrical apparatus—$75 million; and construction, mining, and conveying equipment—$71 million.

Eximbank in brief

Function: Makes hard loans to foreign borrowers for imports of capital equipment and other goods and services from the United States. Also helps guarantee and insure private export credits.

Annual lending volume (fiscal 1967): Non-military project loans—$1.6 billion; military and other loans—$1.1 billion; insurance and guarantees—$1 billion.

Loan maturities: 5 to 15 years, exclusive of grace periods.

Current standard interest rates and fees: 6% interest; ½% commitment fee on undisbursed balances.

Size of loans (fiscal 1967): $1 million (occasionally less) to $122 million.

Borrowers: Public or private entities overseas and foreign governments.

Use of loans: For meeting costs of U.S. goods and services needed in projects. Suppliers chosen through negotiation or competitive bidding.

Resources: $1 billion capital from U.S. Treasury plus borrowing rights from Treasury and sale of participation certificates on private market.

Address: Export-Import Bank of the United States
811 Vermont Ave., NW.
Washington, D.C. 20571

Eximbank uses own resources to finance exports of U.S. goods

Makes long-term loans direct to private foreign buyers; subcontracts from loans often benefit hundreds of U.S. firms

The Export-Import Bank of the United States (Eximbank) is the principal U.S. Government agency for financing exports. It emphasizes long-term export loans from its own resources, although it also assists private export financing through guaranteeing and helping to insure credits extended by banks and exporters. These latter functions have been covered in an earlier INTERNATIONAL COMMERCE article ("How to Get Export Financing Insurance and Guarantees", Sept. 18, 1967).

Direct to users

Eximbank makes long-term loans directly to public and private borrowers (including foreign affiliates of U.S. firms) abroad for the purchase of U.S. goods and services. Eximbank's authorizing legislation requires that in each case there be reasonable assurance of repayment and that the Bank should supplement rather than compete with private capital.

Private commercial banks often participate in individual Eximbank loans, and at times Eximbank will help finance a project jointly with loans from other official lending agencies.

While Eximbank may on occasion issue a financial guarantee for long-term project loans financed entirely from private sources, its principal long-term credit activity is the provision of direct credits from its own resources. In fiscal 1967, Eximbank authorized over 100 such loans for a total of almost $2.4 billion. This represents more than a two-fold increase over activities for fiscal 1966, when Eximbank made 58 loans valued at a total of $944 million.

A large portion of this recent increase was due to stepped-up Eximbank financing of civilian aircraft exports. Eximbank authorized about $100 million for such aircraft exports in fiscal 1966 and about $760 million in fiscal 1967.

A growing tendency in this field is for Eximbank to cooperate with private banks, which finance the early maturities while Eximbank finances the later maturities.

Other significant areas to which Eximbank is giving increased attention include the construction of petrochemical plants and electric power facilities.

Eximbank makes loans to both foreign governments and private borrowers overseas. Eximbank loans are also made to foreign development banks which relend to local private enterprises. Loans to the private sector may cover the majority of the U.S. costs incurred in establishment of new industries, the expansion of existing industries, or the replacement of obsolete capital equipment.

Eximbank does not necessarily finance total U.S. costs but seeks cash payments and exporter participation wherever appropriate.

In July of 1966, Eximbank instituted a commitment fee of ½% on undisbursed balances of its project loans, thus following a practice already used by several of the other official lending agencies. In August of the same year, Eximbank increased the standard interest rate it charges on its project loans from 5½% to 6% per annum.

Repayment terms of Eximbank's long-term credits generally vary from 5 to 15 years, depending upon the nature of the project and sometimes upon the credit terms offered by competing suppliers from other industrial countries.

Wide lending range

In fiscal 1967 Eximbank extended direct credits to some 40 countries. These ranged from a $1 million loan to a Venezuelan development bank for relending to private enterprises, to a $122 million loan to Italy for the purchase of U.S. civilian jet aircraft. Occasional loans of under $1 million were also made.

In recent years, Eximbank's lending has been particularly heavy in Europe (Spain), Latin America (Mexico and Venezuela), and Asia (Iran, Japan, and Taiwan).

Eximbank project loans are authorized upon application from an overseas borrower. With regard to private borrowers, Eximbank generally prefers that they put in at least 40% of the project cost. While there are no application forms for Eximbank's project loans, letters of application must contain sufficiently detailed economic, financial, and engineering data to enable the Bank to determine the borrower's ability to repay the loan.

When approving loans, Eximbank also takes into account the foreign country's overall financial outlook, its total foreign indebtedness and its total obligations to Eximbank. In some countries, political stability may be a factor in determining whether there is reasonable assurance of repayment.

Since Eximbank's primary purpose is

to finance U.S. exports, procurement of capital equipment and other goods and services with its project loan funds must be entirely from the United States. Local costs or purchases made in third countries are not financed.

Purchases with Eximbank loan funds are made by the foreign borrower, either through pre-negotiation with specific U.S. suppliers, or sometimes through competitive bidding.

Frequently borrowers will negotiate a contract on a conditional basis with one or more U.S. suppliers before a loan is actually granted by Eximbank. In such cases Eximbank reviews the contract to assure that it meets acceptable standards and that the suppliers are qualified to furnish the goods in question.

Since many of Eximbank's large loans involve sub-contracts, U.S. exporters may ship items financed by such loans without realizing Eximbank's financing role. Eximbank has estimated that on some of its large project loans several hundred U.S. suppliers and several thousand individual orders are involved.

In addition to its regular long-term project loan activities, Eximbank occasionally provides large-scale credit lines to foreign governments to help them through temporary balance-of-payments difficulties and thus enable them to maintain the level of their imports of U.S. goods and services.

Eximbank also provides some short-term credits to help foreign countries import U.S. agricultural commodities. Such credits totaled $76 million in both fiscal 1966 and 1967. In both years the credits were extended to Austria and Japan for imports of raw cotton from the U.S.

A new activity of the Export-Import Bank, initiated in August of 1966, is the making of so-called discount loans to U.S. commercial banks against certain eligible export credits that they have extended. About $71.5 million of these "discount loans" were made by Eximbank in fiscal 1967.

Mr. Toler, author of this series of articles, was born in Amarillo, Texas. He studied economics at the University of Oklahoma and graduated with honors in June, 1965. For the past 1½ years he has been with the International Finance Division of the Bureau of International Commerce. His series incorporates studies made for a similar earlier International Commerce report by Ada Wrigley, who is now Director of the Bureau's Program and Policy Evaluation Staff.

World Bank in brief

Function: Makes loans on conventional economic assistance terms for financing large infrastructure projects and other developmental activities.
Annual lending volume (fiscal 1967): $0.8 billion.
Loan maturities: 15 to 25 years, including grace periods.
Current standard interest rates and fees: 6¼% interest. ¾% commitment fee on undisbursed balances.
Size of loans (fiscal 1967): $2.75 million to $100 million.
Borrowers: Almost always member governments or government entities. In those cases where private entities, including development banks, are financed, their government must guarantee repayment.
Use of loans: For procurement of goods and services from any member country and Switzerland. Suppliers generally chosen through competitive bidding.
Resources: $2.3 billion paid-in capital from member countries, with U.S. share about 28%. Also sells bonds on private capital markets.
Address: International Bank for Reconstruction and Development
1818 H St., NW.
Washington, D.C. 20433

World Bank Group is versatile combination of financing agencies

U.S. is largest single supplier of goods and services for development projects financed by loans from Bank

Three major international financial institutions and one non-financial institution—the newly-created International Center for Settlement of Investment Disputes—constitute the so-called World Bank Group of organizations. This article will be limited to a treatment of the three lending organizations: the International Bank for Reconstruction and Development (IBRD); the International Development Association (IDA); and the International Finance Corporation (IFC).

Share many things

Although financially separate, these organizations are integrated in many respects. The same President serves all three, and both the IBRD and IDA have the same staff. All three organizations use the same technical and economic standards in assessing proposed projects for their loans, and all have headquarters in the same building at Washington, D.C.

U.S. manufacturers of capital equipment and U.S. engineering and construction firms should be aware of the business opportunities afforded by World Bank Group operations, particularly the large projects financed by the IBRD and IDA. Between the 1964 and 1967 fiscal years, disbursements of funds by the IBRD and IDA amounted to about $900 million per year. This represents an increase of about two-thirds over the annual level of disbursements for the previous four years.

About 65% of funds disbursed by the IBRD are U.S. dollars, with the remaining 35% composed chiefly of other convertible currencies. Similarly, the funds disbursed by IDA are generally in dollars and other convertible currencies.

Can help U.S. exporters

The U.S. is the largest single supplier of goods and services for projects financed by the IBRD and the IDA, and the competitive bidding requirement of these organizations leaves the door open for further expansion of U.S. exports for use in IBRD and IDA-financed projects.

Under the competitive bidding procedure, the borrowing authority in the country receiving the loan has prime responsibility for letting of bid tenders and the award of contracts. Thus it is

important for U.S. firms interested in particular projects to get in touch directly with the borrower abroad.

Any member country—and Switzerland as well—is eligible to supply goods and services under IBRD and IDA financing.

U.S. firms eager to obtain contracts must keep alert to projects being planned around the world and should indicate interest in them at the initial stage of consideration.

The World Bank and IDA encourage both widespread canvassing of bids and newspaper advertising of bid invitations in the borrower's country. For large and important contracts, advertisements are required to be placed in technical and trade publications with wide circulation.

In order to assure free and full international competition, specifications are required to be written to permit offers of alternative equipment and materials.

An IBRD/IDA publication, *Guidelines Relating to Procurement Under World Bank Loans and IDA Credits*, provides further information on procurement requirements and is available from the Bank.

The Group's project loans are primarily in dollars and other convertible currencies and are used to meet the foreign exchange costs of projects financed. In some cases, local costs can be covered as well.

The World Bank Group has in recent years given increased attention to the financing of agriculture, industry, and education, and its financing of industry has given special emphasis to the role of private development finance institutions.

The International Bank for Reconstruction and Development, commonly known as the World Bank, came into existence in 1946. Although it has made loans to industrialized countries, particularly in its early years of operation, it now concentrates primarily on lending to the less developed countries that comprise the bulk of its 107-nation membership.

The IBRD's lending over the years has been fairly evenly distributed throughout the world. Asia, the most populous area, has received the largest share, followed by Latin America and Africa.

Long-term loans

The Bank offers long-term loans for capital projects in member countries. These loans are generally repayable over a period of 15 to 25 years.

Most of the loans are made to governments or government agencies, and in those cases where they are made to a predominantly private entity (often a public utility company or development finance company), the Bank requires a repayment guarantee from the borrower's government.

Most of the loans made by the IBRD fall into the category of infrastructure financing—providing capital for the construction or improvement of such basic facilities as roads, railways, electric power plants, and irrigation systems.

However, the IBRD has become increasingly active in making loans to development finance institutions for relending to private industrial enterprises. The Bank also made two loans directly to individual manufacturing enterprises during fiscal 1967.

In the fiscal year ending June 30, 1967, the World Bank made 46 loans totaling $777 million to 33 countries. It also extended a $100 million line of credit to its affiliate, the International Finance Corporation (IFC). The $777 million figure represents a decrease from the $839 million in loans for 1966, and was considerably less than the $1 billion lending level of 1965.

Overall, however, IBRD lending operations have shown a marked expansion, since they averaged only about $700 million per year for fiscal 1962-64, and have risen to about $900 million per year since.

Although the World Bank obtains some of its loanable funds from earnings and from capital subscriptions by member countries, the largest portion is obtained through the sale of bonds on private capital markets. The interest rate which the IBRD charges on its loans thus reflects the cost of its borrowing on the private market.

In February 1966 the IBRD increased its standard interest charge from 5½% per annum to 6% per annum. In January 1968 the rate was further increased to 6¼%. The commitment fee that the Bank charges on undisbursed balances of authorized loans was changed from ⅜% to ¾% per annum late in 1967.

IBRD loans in fiscal 1967 ranged in size from $2.75 million to $100 million. The former loan, designed to increase the generating, transmission, and distribution facilities of the Swaziland Electricity Board, was participated in by three U.S. banks which agreed to purchase the early maturities ($305,000) of the 20-year loan.

Where the money goes

(in percent)

	Exim-bank	AID	IBRD	IDA	IFC	IDB Ordinary Capital	IDB Fund for Special Ops.
Program loans	—	55	—	38	—	—	—
Industrial development banks	2	5	13	3	8	30	7
Agriculture & related activities	1	6	10	15	1	14	25
Communications	2	—	3	4	—	—	—
Education	—	3	1	10	—	—	6
Housing, health and sanitation	—	4	2	—	—	6	32
Industry & mining projects	34	6	2	—	84	16	1
Power	15	9	34	7	5	18	3
Transportation	46	9	35	23	—	9	20
Other	—	3	—	—	2	7	6
	100	100	100	100	100	100	100

IDA in brief

Function: Makes loans with extremely soft repayment terms to less-developed countries with severely limited financial resources.
Annual lending volume (fiscal 1967): $0.4 billion.
Loan maturities: 50 years. No repayments for first ten years, 1% of principal repaid each year for next ten years, and 3% repaid each year thereafter.
Current standard interest rates and fees: Loans are interest-free. ¾% annual service charge on amounts disbursed.
Size of loans (fiscal 1967): Project loans of $2 million to $15 million, much larger program loans.
Borrowers: Almost always member governments or government agencies, except for development banks.
Use of loans: For procurement of goods and services from member countries and Switzerland, generally through competitive bidding.
Resources: $1.8 billion in original and supplementary subscriptions by members, with U.S. share slightly over one-third; grants from the IBRD; IDA currently seeking new subscriptions by members.
Address: International Development Assn.
1818 H St., NW.
Washington, D.C. 20433

IDA, World Bank affiliate, makes its loans on softer payment terms

India and Pakistan have gottten bulk of agency's $1.7 billion loans; demand for loans keeps agency in need of new funds

The International Development Association (IDA), established in 1960, lends on concessionary terms that complement the more conventional terms offered by the World Bank. IDA financing is extended to poorer less-developed countries which cannot always meet the more stringent maturity and interest rate requirements of the Bank, although sometimes both the Bank and IDA extend financing to the same country or project.

Loans extended by the Association are repayable over a period of 50 years, including a 10-year grace period. IDA does not charge interest on its loans, but in order to meet administrative expenses it does have a service charge of ¾% per annum on amounts disbursed.

The soft terms of IDA credits are granted in consideration of the borrowing country's balance-of-payments problems and are not meant to subsidize individual projects. IDA loans are therefore made primarily to government borrowers, and in cases where the government relends the funds to revenue-producing enterprises the relending is on conventional terms.

As mentioned in the story on the World Bank Group, the competitive bidding requirement of the IDA gives U.S. suppliers an open field to improve their export performance to countries which have received IDA loans.

It is worth repeating that, since the borrowing authority is charged with letting bid tenders and awarding contracts, U.S. suppliers should be particularly alert, and should communicate directly with the borrower. By contacting the World Bank first, they would be causing themselves unnecessary delay.

Exporters in all IDA member countries—as well as those from Switzerland—are eligible to supply goods and services under IDA financing, which is usually in dollars or other convertible currencies.

From the beginning of its operations to June 30, 1967, IDA had extended $1.7 billion in loans for development projects in 38 countries. Of this amount, loans for the development of railways, roads and highways, and telecommunications facilities totaled about $600 million. Irrigation, land improvement, flood control, and other projects to increase agricultural output had received IDA financing totaling an additional $270 million. Electric power projects had received almost $100 million in IDA financing.

Other areas in which IDA, as well as the IBRD, has become active in recent years are school construction and municipal water supply projects.

Emphasis on Asia

Most of IDA's loan funds have gone to Asia, with India by far the largest borrower and Pakistan in second place. In fiscal 1967, $246 million of IDA's total of $353 million in loans went to Asia. Almost all of this Asian financing was accounted for by two non-project loans to India totaling $215 million and one non-project loan to Pakistan for $25 million. These loans were for imports of capital equipment and other goods.

Similar, although somewhat smaller, loans were made by IDA in fiscal 1966, and for both years combined these loans to India and Pakistan accounted for almost 60% of IDA's total lending.

IDA is active in other areas, however, and in fiscal 1967 it made $91 million in loans to Africa. IDA loans to Latin America in that year totaled only $2 million.

With its very low rate of return, IDA is not in a position to obtain funds by borrowing on the private market. In contrast to the World Bank, its funds have thus been almost entirely from subscriptions by its 98 member nations.

Since IDA's inception, over 35% of the $1.8 billion in total subscriptions (original and supplementary) has come from the United States. As another source of funds, IDA received grants totaling $200 million from the IBRD during the 1964, 1965, and 1966 fiscal years.

In 1964, with almost all of IDA's original funds earmarked for loan projects, member governments agreed to replenish IDA's resources by the equivalent of $750 million, payable over a three-year period beginning in November 1965.

Although the last installment of these funds has still to be paid in, it was proposed in July 1966 that there be a second replenishment of IDA resources. In fact, as of June 30, 1967, all currently available IDA funds had either been loaned out or earmarked for projects in the final stages of consideration.

Possibilities for a second IDA replenishment are now being discussed by IDA and member governments.

IFC in brief

Function: Encourages private enterprises in developing countries by providing loans and non-controlling equity capital and by underwriting security issues.

Lending volume (fiscal 1967): About $35 million in loans. About $14 million equity.

Loan maturities: 5 to 15 years.

Current standard interest rate and fees: Interest rates currently vary from 7¼% to 8½% or more. Commitment fee of 1% per annum on undisbursed balances.

Size of loans (fiscal 1967): $5,000 (equity investment) to $12 million (combined loan and equity investment).

Borrower: Always private enterprise, generally in less-developed member country.

Use of loans: Worldwide procurement.

Resources: About $100 million in subscriptions by member countries, plus borrowings from IBRD and sale of investments.

Address: International Finance Corp.
1818 H St., NW.
Washington, D.C. 20433

IFC invests in private projects in its less-developed members

Makes loans and non-controlling equity investments in productive enterprises; invites foreign, local private capital to participate

The International Finance Corporation (IFC) was established in 1956 to encourage the growth of productive private enterprise in its member countries, which presently total 85.

The IFC makes loan and non-controlling equity investments in new private enterprises and for the expansion and modification of existing enterprises, primarily in less-developed countries. Unlike the IBRD, it does not lend to governments or require government guarantees of repayment on its loans.

The IFC focuses primarily on operations in its less-developed member countries.

Modest size

The Corporation is of relatively modest size, but its operations are expanding. While its resources were in the past limited to subscriptions by members and earnings from operations (as of June 30, 1967, funds from these two sources totaled only about $135 million), the Corporation received a $100 million line of credit from the IBRD in October of 1966. This represents the first tranche of $400 million in potential borrowings from the World Bank.

The from the Bank funds will be used to make loans, so that all of the IFC's other resources will eventually be freed for making equity investments.

IFC made new investment commitments totaling $49 million in fiscal 1967, compared with a total of about $36 million in fiscal 1966. About 72% of the value of new investments was for loans and the remainder was in equity. The IFC had at least some equity participation in every investment made during the fiscal year, however.

The average size of an individual IFC commitment in fiscal 1967 was over $3.5 million, compared to an average commitment of $1.4 million during the first decade of operations. The largest commitment, which is also the largest commitment IFC has made to date, was a combination loan and equity investment of $12 million in a privately-owned electric power company in the Philippines. The smallest commitment was a $5,151 equity investment in a Peruvian cement company.

The IFC invites private participation in its investments at the time they are made and frequently sells seasoned securities from its portfolio to other investors in developed countries or in the country where the project is located once outside capital begins to show sufficient interest in the new enterprise.

Also, IFC often acts as an underwriter for public or private security offerings by an enterprise. As of June 30, 1967, over 25% of IFC's $221 million in total gross investment and underwriting commitments had been taken up by other investors.

Wants local participation

Since the objective is to serve as a catalyst, IFC favors ventures which have some actual or potential local capital at their disposal, and it often finances only a small portion of total project costs.

The enterprises in which IFC invests must be productive, and most have been either manufacturing or processing enterprises. In recent years the mounting problem of food shortages in the less-developed countries has led IFC to focus particularly on projects for expanding fertilizer production.

Another sizeable portion of IFC's commitments has been for equity participations in local development finance companies.

In fiscal 1967, IFC made commitments to 13 firms in 11 countries. Ten of these commitments were to manufacturing and processing plants, including three fertilizer producers. Another was to a development finance company, and IFC branched into new areas with commitments to a hotel corporation and an electric company.

Interest rates on IFC loans are closely related to market rates and are generally somewhat higher than the interest rate on IBRD loans. In recent years rates have varied from 7¼% to 8½% or more per year. There is also a commitment fee of 1% per year on undisbursed balances.

Repayment terms on IFC loans generally range from 7 to 12 years, although sometimes they are as short as 5 or as long as 15 years.

About 50% of IFC commitments have been in Latin America, with Mexico, Brazil, and Colombia the largest recipents. Another 30% have gone to Asia, principally the Philippines, Pakistan, and India. Africa, which is getting increased attention from the IFC, has received about 13% of total commitments.

IDB in brief

Function: Makes loans to member countries on conventional economic assistance terms from *Ordinary Capital* and on soft terms from *Fund for Special Operations.*

Annual lending volume (1966): $0.1 billion from Ordinary Capital; $0.3 billion from Fund for Special Operations.

Loan maturities: Ordinary Capital: generally 10 to 20 years, including grace periods. Fund for Special Operations: 7 to 30 years, including grace periods, and with repayment in local currency.

Current standard interest rate and fees: Ordinary Capital: 7¼% interest, including 1% charge allocated to Special Reserves. Additional 1% commitment fee on undisbursed balances. Fund for Special Operations: 2¼% to 4%.

Size of loans (1966): Ordinary Capital: $1 million to $20.4 million. Fund for Special Operations: around $½ million to $20 million.

Borrowers: Almost always governments or public entities in less-developed member countries, but sometimes private entities.

Use of loans: Ordinary Capital: worldwide procurement through competitive bidding, but a new policy limits procurement in non-member countries to amounts such countries provide through purchases of IDB bonds and other means. U.S. portion of Fund for Special Operations' resources is limited to procurement in U.S. and other member countries.

Resources: Ordinary Capital: $382 million paid-in capital from member countries (U.S. share about 40%) plus sale of bonds on private capital markets. Fund for Special Operations: $1.1 billion in original and supplementary contributions (U.S. share about 75%).

Address: Inter-American Development Bank
808 17th St., NW.
Washington, D.C. 20577

Inter-American Bank has both hard, soft loans for Hemisphere

Bank promotes projects leading to region's economic integration; prefers that up to 50% of total costs be met by borrower

The Inter-American Development Bank (IDB) was created in 1959 with the United States and 19 Latin American countries as members. The admission of Trinidad and Tobago last July 10 raised total membership to 21. The IDB made its first loan early in 1961, and as of June 30, 1967, it had approved 448 loans totaling about $2.4 billion for economic and social development projects in Latin America. The IDB has made loans to all of its Latin American members.

The IDB provides most of its financing from two separate funds: Ordinary Capital and the Fund for Special Operations. The former fund is used for loans on conventional terms comparable to those offered by the World Bank, while the latter is used for loans with easy repayment terms that minimize the balance-of-payments impact on the borrowing country.

The IDB encourages loan applications for projects which contribute to regional economic integration in Latin America. It also makes available lines of credit from its Ordinary Capital to finance trade between Latin American countries. In July of 1966 IDB created the Fund for Latin American Integration (financed primarily from the Fund for Special Operations) to provide technical assistance relating to regional integration. Another portion of IDB funds has been channeled through the Central American Bank for Economic Integration, which began operations in 1961.

The IDB prides itself on the amount of local capital mobilized in connection with projects that it finances, and it generally prefers that at least 50% of project costs be met by the borrower.

Most IDB loans are currently made to governments or government entities, but a substantial number of loans from both Ordinary Capital and the Fund for Special Operations are to development banks that relend to private enterprises.

Ordinary Capital resources—Loans from the IDB's Ordinary Capital generally carry repayment terms of 10 to 20 years, including grace periods. In some cases terms may be as short as 7 or as long as 25 years. In November of 1966, the IDB raised the interest rate it charges on its Ordinary Capital loans from 6% to 6½% per annum. In late 1967 the rate was further raised to 7¾%, including a 1% charge allocated to special reserves. There is also a commitment fee of 1% on undisbursed balances.

Form of payment

Repayments are in the currency loaned, generally U.S. dollars.

A large portion of IDB Ordinary Capital loans are for the financing of infrastructure projects in such fields as irrigation, electric power, municipal water supply, and highway construction. The largest single area of IDB Ordinary Capital financing is that of industry and mining.

While the IDB at one time made a substantial number of loans directly to private industrial enterprises, it now tends to finance industry through loans to development banks for relending.

In calendar year 1966, the IDB made 15 loans from its Ordinary Capital. These loans totaled $101 million and went to eight countries. This represents a slight decrease from the $121 million in Ordinary Capital loans made in 1965.

One of the 1966 loans was a regional loan to the privately-owned ADELA Investment Company to enable it to finance private industrial projects throughout Latin America. One of the smaller loans during the year was $1.5 million to the Banco Nacional de Panama for financing livestock development. The largest loan was $20.4 million to a publicly-owned hydro-electric company in Brazil to help increase generating capacity.

Fund for Special Operations—In 1965, the volume of IDB loans made from the Fund for Special Operations (FSO) surpassed the volume of loans from Ordinary Capital resources. In 1966 the

volume of FSO loans showed a further increase of almost 50%, and reached the level of $291 million. This total was accounted for by 48 loans to 17 countries.

Repayment terms on loans from the Fund for Special Operations have generally been from 7 to 30 years. Interest rates are lower than those applying to Ordinary Capital loans from the IDB, and in recent years they varied from 2¼% to 4%.

Over half of the FSO loans are at 2¼%, which represents a substantial liberalization over the policy prevailing through 1964, when most FSO loans carried a 4% interest rate. This liberalization compensates for the discontinued U.S.-financed Social Progress Trust Fund, for which interest rates ranged from 2 to 3½%.

The borrowing country is generally allowed to repay FSO loans in its own currency, even if the loan was made in U.S. dollars.

Most of the FSO's loan activities are in the same general areas as those financed from Ordinary Capital, although greater emphasis is put on social infrastructure projects of the type formerly financed by the Social Progress Trust Fund. In 1966, for example, the FSO authorized $47 million for housing projects and $29 million for education projects. The FSO is also much more active in financing pre-investment feasibility studies.

One of the smaller FSO loans made in 1966 was $500,000 to expand the capacity of a publicly-owned cement plant in Brazil. The largest loan was $20 million to Peru for various projects to help improve the living conditions of Peruvian Indians.

Covers local costs

Because of the nature of the projects it finances, the FSO often covers substantial amounts of local costs, in addition to foreign exchange costs.

In 1965 the IDB expanded its FSO activities to include financing of social development projects of the type previously financed by the Social Progress Trust Fund. This expansion of activities was made possible by a $900 million increase in the FSO's resources. The final installment of this increase, of which the U.S. provided $750 million, was paid by IDB members in December 1966.

In April of 1967 the IDB Board of Governors recommended a further $1.2 billion increase in FSO resources to be paid in over a three-year period. The U.S. Congress has authorized an appropriation of $900 million for the U.S. portion of this new increase.

Procurement of goods and services under IDB financing has until recently been through competitive bidding on a worldwide basis. With the expanded U.S. contributions to the Fund for Special Operations, however, the U.S. portion of FSO resources must be spent in the U.S., the borrowing country, or other IDB members.

Also, in order to increase the volume of contributions by non-member developed countries, last year the IDB instituted a policy relating procurement in such countries to the volume of resources they provide to the Bank.

The IDB obtains funds from non-members through sales of IDB bonds on their capital markets, through funds which they entrust to the IDB for administration, through their participation in IDB loans, and through parallel financing operations.

REGIONAL LENDING AGENCIES

A very notable development within the last several years has been the creation of two new regional development banks, the **Asian Development Bank** and the **African Development Bank,** and there are plans for creation of still another, the **Caribbean Development Bank.**

The regional institutions will, like the Inter-American Development Bank, focus upon lending activities for the benefit of a particular geographical group of countries.

They will be headquartered within the region and will incorporate the self-help principle by receiving broad financial support from member countries within the region. Some of their lending resources will also be obtained from industrial countries outside the region, however.

The Asian Development Bank, which has headquarters in Manila, formally opened its doors for business in late 1966, after the United States and fourteen other countries had ratified the Articles of Agreement establishing the Bank. The Asian Development Bank now has thirty-two member countries, nineteen of which are Asian and thirteen of which are developed non-regional countries.

The Bank's authorized capitalization is $1.1 billion, of which $970 million has been subscribed. Regional member countries have subscribed $615 million, including $200 million from Japan. The non-regional members have subscribed $355 million, including $200 million from the United States.

In addition to its regular capital subscriptions, the Asian Development Bank is seeking additional resources to establish special funds for soft lending on easier repayment terms than would apply to the Bank's ordinary loans.

President Johnson has proposed to the Congress that the U.S. contribute $200 million to such special funds over a four-year period. This contribution would be used for financing regional programs and projects in such areas as agriculture, transportation, and communications and would be used exclusively for the purchase of U.S. goods and services.

The U.S. contribution to special funds would be limited to a minority share of the total contributions.

While the Asian Development Bank has not yet reached full operational capacity, it is currently considering a number of project applications and recently approved its first loan, $5 million to the Industrial Finance Corporation of Thailand for relending to industrial enterprises.

A precise range of terms for Asian Development Bank lending has not been established. Loans from ordinary capital are to be on conventional development assistance terms, and so maturities will probably be roughly comparable with those offered by the World Bank (IBRD). The standard interest rate will be 6⅞%.

Procurement is limited

Procurement of goods and services under the Asian Development Bank ordinary capital loans is limited to member countries, including the United States.

The African Development Bank was opened in July 1966 to provide development financing for member African countries. Although procurement under African Development Bank loans is not restricted to members, most of the currencies currently available for lending are non-convertible African currencies, and it is doubtful that there will be much procurement of U.S. goods and services for projects financed by the Bank's ordinary capital.

No final decision has been made regarding a U.S. contribution to a proposed special fund of the African Development Bank, but the U.S. can be expected to cooperate with the Bank in development projects of mutual interest.

Plans are also underway for the establishment of a Caribbean Development Bank. The 13 countries and territories in the Caribbean region would provide the bulk of the Bank's subscribed capital resources, with developed countries outside the region supplying the remainder. The United States will not be a formal member, but it is proposed to consider assistance to the Bank on a loan basis, consistent with U.S. balance-of-payments and foreign assistance policies.

Secretary Smith has background in world affairs

Specialist in air transport headed airline for 34 years

C. R. (Cyrus Rowlett) Smith, confirmed as the new Secretary of Commerce, has had broad experience as the chief executive of one of the world's largest airlines ever since the 1930's. His decorations include an award by the Government of Finland for leadership in developing that nation's air transportation services.

As chairman of the board of American Airlines, Inc., Mr. Smith is widely recognized as one of the pioneers in air transportation, and as an innovator with forty years experience in airline organization and management.

Mr. Smith became president of American Airlines in 1934 and served in that post, except for three years duty in World War II, until 1964 when he was elected chairman of the board.

During World War II, Colonel Smith was a principal organizer of the Air Transport Command for the Army Air Force. When he left the service after three years, he had become a Major General and Deputy Commander, Air Transport Command. His decorations include the Distinguished Service Medal, the Legion of Merit, the Air Medal and Commander, Order of the British Empire. He also shared in a Distinguished Unit Citation for service connected with air operations across the Hump from India to China.

In 1961, Mr. Smith won the Billy Mitchell Award as "the United States citizen making the outstanding individual contribution to aviation progress."

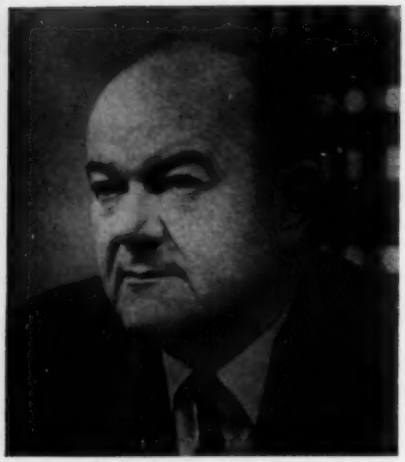
Long-term adviser

Mr. Smith has served as adviser to many Government agencies and councils for over twenty years. Presently, he is a member of The Business Council; a director of the Amon Carter Museum of Western Art; and a trustee of the Wiltwyck School for Underprivileged Children in New York City.

He has, until recently, been a trustee of the Loveless Foundation for Medical Research of Albuquerque, New Mexico, and a principal of the Gilcrease Museum of Western Art, in Tulsa.

Born in Minerva, Texas, Sept. 9, 1899, Mr. Smith has resided in New York for the past 30 years.

Mr. Smith's predecessor as Secretary, Alexander B. Trowbridge, served in the post from June 17, 1967. Before coming to Commerce as Assistant Secretary for Domestic and International Business in 1965, Mr. Trowbridge had served as president and division manager of the Esso Standard Oil Co. of Puerto Rico.



SECRETARY SMITH

British firm is denied access to U.S. exports indefinitely

Mobile Maintenance Services of Maidstone, Kent, England, has been denied access to U.S. exports for an indefinite period, the U.S. Department of Commerce announced today.

The Department's Bureau of International Commerce (BIC) said the action was taken to prevent evasion of a denial order entered against Dukerswell Engineers Limited, also of Maidstone, Kent, England, in February 1965. Dukerswell controls Mobile Maintenance Services.

All outstanding export licenses in which the Mobile firm has an interest have been revoked. The firm, its agents and employees are prohibited from participating in any transactions involving commodities or technical data exported from the United States.

The U.S. export regulations provide that without authorization from the Department of Commerce, no party may trade in commodities or technical data exported from the United States with a party he knows has been restricted from dealing in U.S. exports.

Alliance loan to aid Uruguay development

Outlay of $15 million will go for farm equipment

An Alliance for Progress loan to Uruguay for $15 million to encourage rapid increases in the production of specific agricultural crops has been authorized by the Agency for International Development.

Most of the AID loan will be used to procure agricultural machinery, equipment, seeds, pesticides and other supplies in the United States for use by Uruguay's private sector. About $1.5 million will be used to purchase commodities in the United States to expand government programs in the areas of crop and livestock disease control, crop storage and research.

The loan will be part of an overall assistance package of about $39,000,000 in support of the Government of Uruguay's stabilization program. The aid includes P.L. 480 sales of wheat and feed grains totaling a maximum of $19 million and an already existing AID loan of $5 million for fertilizer imports.

The sale of the commodities procured under the $15 million loan and the P.L. 480 commodities will generate pesos and thus enable the Uruguayan authorities to expand production credit and to finance other priority investments.

The Uruguayan Government will contribute credit and investments totaling the equivalent of approximately $17.4 million to the overall agricultural improvement program.

Supports internal measures

The AID loan is designed to support internal measures undertaken by the Uruguayan Government in consultation with various agencies, including the International Monetary Fund, to bring about economic stabilization and to recreate adequate incentives for agricultural production and exports.

The agricultural development program calls for substantial production increases in four key export crops, wheat, malting barley, linseed and sorghum, as well as fruits, potatoes, seed crops such as corn and oats, and oil crops such as sunflower and peanuts.

Repayment will be within 40 years from date of first disbursement, with a grace period not to exceed 10 years. Interest will be 2% annually during the grace period and 2½% thereafter.

AREA SUMMARY, 1967

U.S. commerce increases with developed nations

Exports to Canada, U.K., EEC, Japan gain most; small rise in sales to developing countries

A summary of U.S. foreign trade for 1967, focusing on major commodity developments, appeared in last week's issue of International Commerce. The article below summarizes the year's exports and imports, by country and/or area. Both presentations were prepared by the Commerce Department's International Trade Analysis Division.

Sluggish economic activity in this country and key industrial markets abroad, improved crops in some major importing areas, and generally weak demand in developing countries slowed the pace of U.S. foreign trade in 1967. Both exports and imports, nevertheless, climbed to record levels, almost entirely as a result of expanded trade with the developed countries.

Exports, excluding military grant-aid, increased to $30.9 billion, exceeding the 1966 total by 5.3%. This was a considerable slackening from the advance of a tenth that year. The pace of our foreign purchases, however, slowed even more sharply. After a 20% gain in 1966, imports moved up by only 5% to a value of $26.8 billion.

As a consequence of greater deceleration in imports than exports in 1967, our gross merchandise trade surplus rose to $4.1 billion from $3.8 billion in the preceding year.

Sales to the developed countries climbed by 7% to $21.2 billion, with Canada, Japan, the United Kingdom, and the European Economic Community accounting for nearly all of the U.S. export advance in 1967. Shipments to the developing countries rose by 2% to $9.6 billion, compared with an 11% gain in 1966. Deliveries to Latin America were moderately lower while those to the Near East and the developing countries of Africa dropped sharply. Exports to East and South Asia continued to advance though at a slower rate.

Curtailed shipments of agricultural products were primarily responsible for the slowing in U.S. exports in 1967. With the exception of developing Asia, primarily Pakistan and Korea, exports of farm commodities declined to all major world areas. On the other hand, our exports of nonagricultural products expanded almost as strongly as in 1966. The developed countries accounted for virtually the entire increase.

Following a vigorous expansion in the first three months, exports held level in the next two quarters and dropped slightly in October-December. The modest decline in the final three months was the first quarterly decrease since July-September 1965. Area trends were mixed during the year, with shipments to the developing countries strong in the beginning quarter but dropping later in the year. After three successive quarterly increases, exports to developed areas fell in October-December mainly because of reduced sales to Western Europe.

The sharp deceleration in imports during 1967 reflected the pause in the U.S. economy for much of the year. The $1.3 billion increase in our foreign purchases, consisting entirely of nonagricultural arrivals, was less than a third of the huge advance in 1966. Imports from the developed countries expanded by 8% to $18.9 billion, a substantial slowdown from the year before. Three-fourths of this increase represented greater deliveries from Canada. Weakened U.S. demand for industrial materials and foodstuffs caused our purchases from the developing countries to dip slightly below the 1966 total.

Following a marginal advance in the first three months, imports declined in the next two quarters but recorded a spectacular jump in the fourth. The rise stemmed partly from special factors such as the continued strike in the copper industry and the threat of a work stoppage in steel producing mills, and partly from the quickening pace of U.S. industrial activity. The fourth quarter advance was practically all in greater imports from Western Europe, Canada, and Japan.

Trade with Canada advances

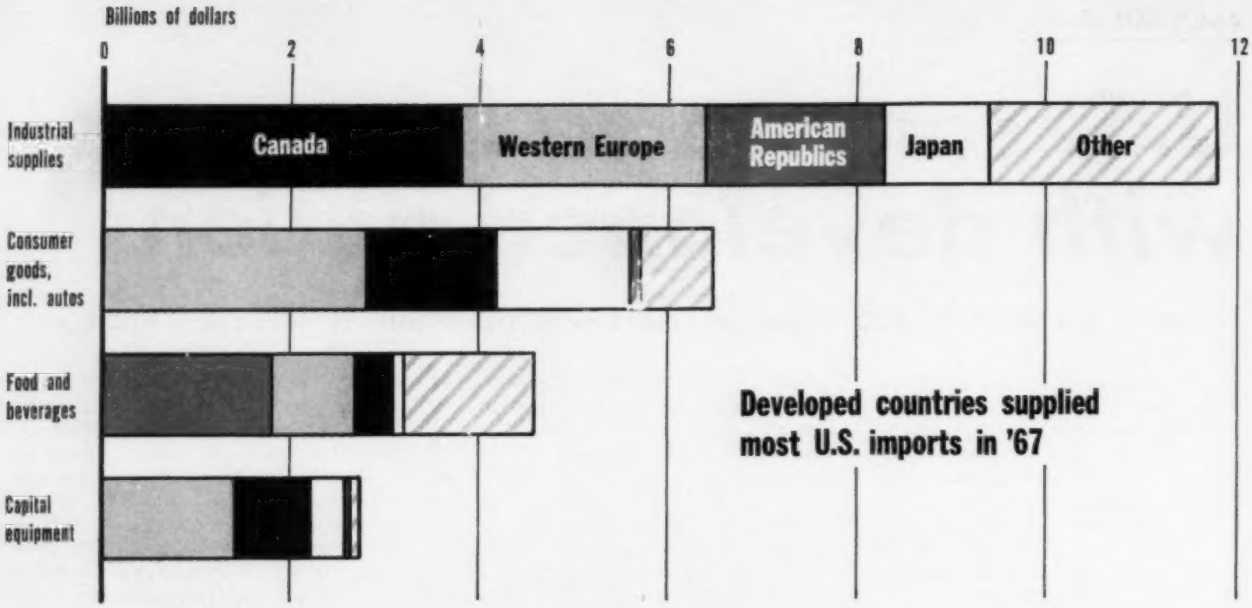
Accounting for one-third of the expansion in exports, U.S. sales to Canada, our principal market, posted another strong gain in 1967. As a result of the less vigorous performance of that country's economy, however, the growth of our exports decelerated to 8% from more than twice that rate in 1966.

Most of the rise in U.S. exports to Canada, to a record level of $7.2 billion, was sparked by a $500 million or two-fifths rise in deliveries of transport equipment. This advance stemmed primarily from a doubling in exports of new cars and sizable gains in shipments of auto parts and trucks, reflecting the trade stimulating effects of the 1965 U.S.-Canadian automotive agreement. Exports of aircraft also rose significantly. Smaller increases were recorded in sales there of nonferrous metals and chemicals.

Rising imports from our northern

Imports slow more than exports in 1967

	1966		1967	
	Value $ billion	% change over '65	Value $ billion	% change over '66
Exports (excluding military grant-aid)...	29.4	+10.0	30.9	+5.3
Imports.....	25.5	+19.5	26.8	+5.0



neighbor supplied $974 million of the $1.3 billion increase in our foreign purchases in 1967. Although growing at a slower rate than in the preceding year, these arrivals still advanced by a sharp 16% to a level of $7.1 billion in 1967.

To a large extent, the increase in Canadian imports was attributable to deliveries of duty-free automotive products from U.S.-owned plants in that country. Purchases of machinery, particularly farm equipment, and small military aircraft also recorded sizable advances. Expanded purchases of copper, nickel, crude petroleum, and natural gas contributed most of the additional imports of industrial materials from Canada.

Exports to Europe gain

Less buoyant economic growth in leading markets, larger local crops, and stiffer competition from other agricultural suppliers held our shipments to Western Europe to a 3% increase, half the gain in 1966. Much of the advance consisted of greater exports to the United Kingdom and to the Common Market countries, largely Italy and Germany.

Sales of aircraft, crude petroleum, and computers to Western Europe accelerated sharply and further gains were recorded in exports of soybeans, tobacco, and instruments. Decreasing, however, was the flow of grains, metals, fats and oils, and coal. Shipments of chemicals, a significant export to that area, showed only a fractional rise.

The step-up in the rate of gain of our exports to the United Kingdom, to 13%, was mainly the consequence of sharply increased oil shipments as the Middle East crisis disrupted normal supply patterns, the delivery of some machinery items which may have been delayed in 1966 pending the removal of the import surcharge, and greater military sales.

The pace of U.S. purchases from Western Europe slowed to a 5% advance in 1967 from a gain of one-fourth in the preceding year. Increases occurred in all major import categories, with industrial materials showing the largest rise. Particularly buoyant were purchases of copper, steel, and unmanufactured tobacco. Machinery imports also expanded, especially machine tools and textile machinery, but aircraft purchases fell as U.S. airlines and industry cut back their purchases of foreign planes. Arrivals of consumer goods from Europe were spurred by sharply higher footwear imports.

Vigorous industrial growth in Japan boosted sales of U.S. goods by another 14% to $2.7 billion. Continued rise in shipments of crude materials and accelerated sales of machinery, fuels, and chemicals accounted for most of the gain. Conversely, deliveries of aircraft, soybeans, corn, and tobacco to Japan registered sizable declines from 1966 levels.

Pace slows

Although U.S. imports from Japan have moved up rapidly in recent years, purchases leveled off in 1967. This was due principally to a falloff in arrivals of industrial materials, especially textiles and aluminum, and in motorcycles. Moving counter to the trend, arrivals of autos from Japan quickened markedly.

Reflecting the abrupt deceleration in imports and the continued advance in exports, the deficit in our balance of trade with Japan was reduced in 1967.

Shipments to Oceania recovered with a one-fourth rise to a record $1 billion. Australia accounted for virtually all of this gain as demand revived with the general upturn in economic activity and

Exports buoyant to Canada, Japan and Australia

	1967	
	Value $ million	Percent change from '66
Developed areas, total	21,167	+ 7
Western Europe	9,891	+ 3
Canada	7,173	+ 8
Japan	2,696	+14
Australia and New Zealand	981	+26
Rep. of South Africa	426	+ 6
Developing areas, total [1]	9,580	+ 2
American Republics	4,126	− 2
Other Western Hemisphere	595	+11
Near East	961	−14
East and South Asia	3,557	+ 3
Africa	690	− 9

[1] Total excludes and areas include military grant-aid shipments.

the balance of payments position was improved. An increase in military sales caused a sharp expansion in our shipments of machinery and aircraft to that country.

Despite increased arrivals of meat from Oceania, U.S. imports from the area dropped 2% below 1966. Purchases of unmanufactured wool from New Zealand and Australia were reduced by more than one-third and sheep and lamb skins from New Zealand declined by two-thirds.

Greater sales of machinery and transport equipment, which more than offset a decline in wheat shipments, were largely responsible for the 6% rise in our exports to the Republic of South Korea. Some of the export gain may have been due to the relaxation of import controls in that country.

Imports from South Africa, however, were considerably lower than in 1966. This reflected primarily the reduction in purchases of uranium oxide.

Trade lags with developing areas

Greater competition from other foreign suppliers coupled with balance of payments problems and import restrictions in some countries caused a small decline to $4.1 billion in shipments to the American Republics. This downturn followed a 12% advance in 1966 and continued the seesaw pattern of recent years in our exports to the area. A sizable increase in deliveries to Mexico was more than offset by a reduction in shipments to Colombia and Brazil.

Our deliveries to the Republics of motor vehicles, chemicals, iron and steel-mill products, and grains dropped substantially in 1967. Partly countering these declines were buoyant sales of machinery and instruments and the doubling of shipments of railway equipment.

In sharp contrast to the sizable rise in 1966, U.S. imports from the American Republics fell by 3% to less than $3.9 billion. In large measure, this was attributable to reduced arrivals of industrial materials, particularly wool, unrefined copper, and crude petroleum.

Food imports from the Republics, which expanded in 1966, showed little change. Coffee purchases dropped again and deliveries of several other food items from Latin America slowed.

Uptrend in some countries

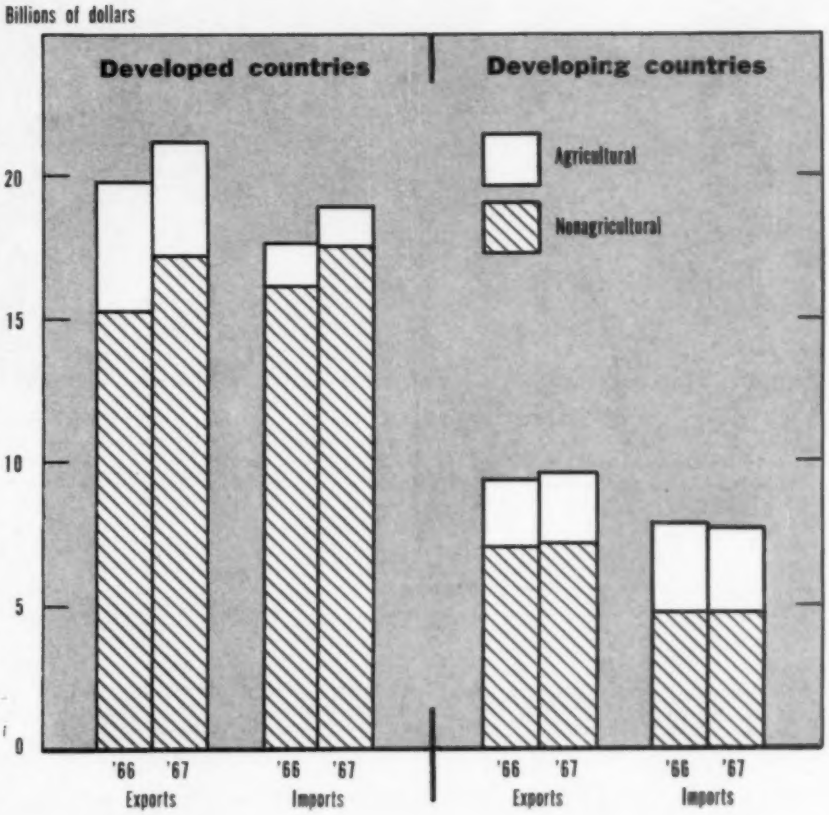
Despite foreign exchange difficulties in several countries, shipments to developing East and South Asia remained on the uptrend that began in 1960. The major part of the rise in 1967 stemmed from larger deliveries to Korea and Taiwan and sizable recoveries in shipments to Pakistan and the Philippines. For the area as a whole, exports of a wide range of commodities were significantly higher. The dominant increases were in machinery rice, fats and oils, cotton, and chemicals.

Stepped-up imports of consumer goods accounted for the 1967 increase in our purchases from the region. Arrivals of clothing, wigs, toys, and footwear showed large gains. The 7% overall rate of advance to a value of $2.1 billion was smaller than in 1966.

Considerably reduced shipments of wheat caused U.S. exports to the developing countries of Africa to drop 8% below the 1966 level. Imports from these countries also declined, by more than a tenth, as a result of smaller U.S. purchases of green coffee and crude petroleum.

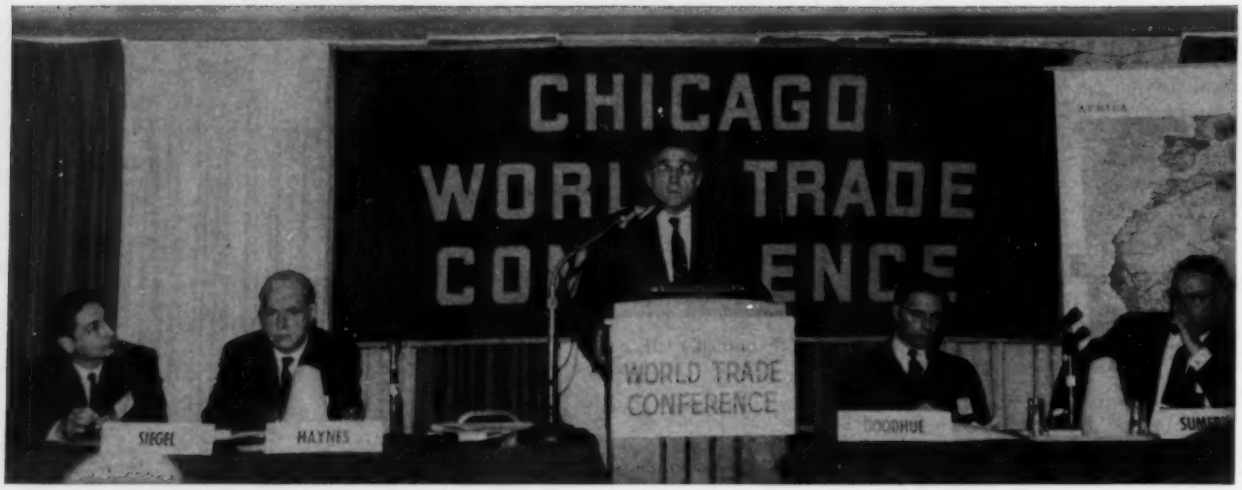
The 14% reduction in U.S. exports to the Near East reflected the much lower level of PL-480 shipments of grains to Egypt as well as the dampening effects of the Arab-Israeli conflict. Sharply lower imports of crude petroleum, as a consequence of the crisis, caused our purchases from the Near East to drop one-fourth below the 1966 level.

U.S. trade boosted by nonfarm exports to developed areas



Imports from Canada advance strongly

	1967	
	Value $ million	Percent change from '66
Developed areas, total	18,942	+ 8
Western Europe	8,055	+ 5
Canada	7,099	+16
Japan	2,999	+ 1
Australia and New Zealand	562	− 2
Rep. of South Africa	227	− 9
Developing areas, total	7,686	− 1
American Republics	3,853	− 3
Other Western Hemisphere	784	+ 7
Near East	308	−24
East and South Asia	2,058	+ 7
Africa	678	− 7



COPING WITH NEW INVESTMENT CONTROLS was the subject of this Chicago Trade Conference panel discussion, being led by lawyer Russell Baker. Panel members, from left, are Clarence S. Siegel, deputy director of the U.S. Commerce Department's Office of International Regional Economics; Eldridge Haynes, president of Business International Corp.; Frank W. Goodhue, vice president of the First National Bank of Chicago, and Robert F. Sumerwell, vice president of Clark Equipment A.G. The foreign investment control program was a recurring topic at the Feb. 28-29 meeting.

CHICAGO CONFERENCE REPORT

Traders seeking answers

'Where do we go from here?' tone on international policies dominated '68 meeting

By CLARENCE M. ZENS
Managing Editor

CHICAGO—International traders who came to this crossroads city for the 31st Chicago World Trade Conference brought their own company policy crossroads with them.

It was "where do we go from here?" at the 1968 meeting. Participants asked speakers and each other about the new Federal investment controls, worldwide tariff changes, expanded trade promotion programs and possible tax moves related to the national balance-of-payments situation.

Meeting halls and corridors echoed to the recurrent queries:

- What does this all mean for my company's future plans?
- How is it affecting my neighbors and competitors, in and out of the U.S.?
- How long will the controls and other changes be with us?

One speaker likened the mood to that of the 1930's, as he appealed to company executives not to be discouraged by the complexities. Policies of retrenchment and withdrawal can lead, he said, to permanent loss of world markets.

Notepads came out as Lawrence C. McQuade, Commerce Department's Assistant Secretary for Domestic and International Business, discussed the foreign direct investment controls. He said that despite the need to set up an entirely new system almost overnight the Commerce Department "has processed more than 300 of these applications, and we are approaching our goal of rendering a decision on every application within two weeks after it is submitted."

In offering this end-of-February report, McQuade also said:

"Once again, the business community has demonstrated its willingness to cooperate when the national interest is at stake. Very few of these applications have been given a complete stamp of approval or an outright denial. In some cases, companies have found that they could make other arrangements and withdrew their applications. More than 90% of the cases involved projects already underway or those in which the company had a legal commitment.

"If the number of foreign bond issues are an indication, a substantial amount of capital has been obtained by American firms in foreign markets. These borrowings should permit a high percentage of direct investors to continue high priority expansion programs. After some of the dust has settled, I believe we will continue the strong flow of earnings from foreign investments which enhance our balance-of-payments position.

"One criticism—and a rather odd one, I think—is the statement that businessmen refrain from criticizing the program in strong terms because of the fear that they might get tougher treatment from our office. In the first place, I don't believe there has been any shortage of critics—and we welcome them, especially if their statements are of the constructive type. Also, the companies have been entirely candid in their communications with the

new office. These applications are treated in a businesslike manner—not as requests for a special favor.

"The Secretary will soon establish a board to review appeals, and government officials outside our office will be in the majority on that body.

"Some contend that the program will shut off investment and that as a result we will lose a sizable amount of exports which are linked to foreign operations of American business. We are not trying to eliminate foreign investment—only part of the outflow of funds used for direct investment.

"The objective is to reduce the deficit in the balance of payments," McQuade said, and then spoke of efforts to keep the program on the curtailment of investment funds from causing undue restrictions on companies which had made commitments prior to Jan. 1.

Warns on retreat

It was Eldridge Haynes, president of Business International Corp., who spoke of the dangers of retreat now by U.S. firms contemplating the added demands in overseas operations. After suggesting 24 steps for softening the effect of the U.S. direct investment controls, he sounded this warning:

"During the depression there were thousands of companies that took to the cellar, and many never emerged from it. And so it will happen again—in international business. To the degree that your competitors pull in their international horns, you have an opportunity to make a forward, competitive leap by studying and studying how to expand abroad within the regulations.

"Surely the companies that take this road stand a better chance of being among the few hundred corporations operating globally that, in twenty years, will account for more than 50% of the free world's gross national product—a prediction of concentration of economic activity that has been made by several scholars in the light of mounting costs of staying in the technological race in an interdependent world.

"And we can be sure that European and Japanese corporations are not blind to their opportunity created by U.S. corporations electing to slow down their international growth."

Felipe Herrera, president of the Inter-American Development Bank, called for a planned strategy by developed and underdeveloped nations to seek solutions to the problems of poverty and backwardness in the world.

Herrera stressed that "short-term difficulties that periodically afflict industrial nations must not make them lose sight of the long-term mutual benefits of international aid. Public aid should not be considered a residual of a developed nation's own internal needs, or an instrument of diplomacy, or even a gesture of good-will, but should have its own high rank in its scale of priorities."

He added that the evident mood of weariness among the world capital exporting countries in general in the field of foreign aid is a cause of concern to Latin America and other developing regions.

Economic diversification efforts in developing countries should get greater backing from industrialized areas, Mr. Herrera said, especially such movements toward region-wide integration as the proposed Latin American Common Market.

Herrera also said that the idea of general preferences by industrialized nations to exports of manufactured and semimanufactured products of the developing countries, which has been stressed in the current UNCTAD conference in New Delhi, India, can prove to be an important incentive promoting national and regional development in the emerging nations.

Herrera also stressed that the burden of successful economic development must rest ultimately with the developing countries themselves. He said that the search for greater export earnings and external assistance is motivated by the need to expand their own rates of capital formation and thereby raise their productivity. The human element required for higher productivity—good judgments, decisions, policies and discipline—can only come from the developing nations themselves.

Latin summary

Herrera highlighted the economic achievements of Latin America in the past 20 years and referred to industrial growth, which has proceeded at a rate of 6% since 1950, higher than the 4.7% growth of the economy as a whole. He said the region's gross domestic product doubled since 1950, reaching a level of about $87 billion in 1967.

But in the last 20 years, the region's external trade has deteriorated steadily, dropping from 10% of the total world trade in 1950 to 6% in 1966.

He added that this deterioration is particularly noticeable in the U.S.-Latin American trade: while Latin American exports to the U.S. accounted for about one-third of the total U.S. imports in 1950, in 1966 they accounted for only 15%.

Herrera said that the $2.4 billion which his bank has lent to date will help to finance development projects with a total cost of more than $6 billion.

He said that the projects under financing include the construction of 49 large industrial plants and some 3,000 small and medium-sized plants; the irrigation or improvement of 6 million acres of farmland; the expansion of the electric power capacity by 4.5 million kilowatts; construction of more than 2,000 miles of main highways and 10,000 miles of access and farm-to-market roads; 3,000 water supply systems for the benefit of 40 million people; loans of more than $100 million for 120 institutions of higher learning with an enrollment of 150,000 students; and construction of some 300,000 houses through savings and loan systems and

Best Managers?

IBM World Trade Corp. asked management consultant Howard Perlmutter to seek answers in nine countries in Europe to the question: does the local management prefer to work with Americans or Europeans at international headquarters level?

It was believed that country presidents and their immediate associates preferred to report to an American area manager. Yet the study showed that only one-third of the group had such a preference. For those who did, the reasons were varied but most significant was that Americans were preferred because they were the most effective spokesmen for European country interests with American management of the corporation.

A smaller, but significant, number preferred Europeans as international managers. Again, they had various reasons but the two that stood out were that Europeans understood European problems better and that Americans were temporary and never really learned European problems in depth.

By far the largest group said that they preferred the best man, regardless of his nationality. Whether it was an American with extensive European experience or a European with extensive American experience, the result would be a man who would gain the trust and confidence of both Americans and Europeans. It would finally be the man and his personality who would make the difference, not his passport.

public housing programs.

An Agency for International Development official who specializes in African affairs, Robert S. Smith, touched on the effect of the new foreign direct investment controls on U.S. business interest in Africa. The controls, he said, "have had an impact to date which is more psychological than real."

He noted that the investment limits are 110% of average 1965-66 investments in the developing lands of Africa, and that for companies with no past base "special authorizations are required and are being granted in appropriate cases."

"So far," the AID official commented, "the operation of these controls has not hindered the investment in less developed countries. It was pointed out at the time that the controls were imposed that they should not be interpreted as a basic change in the policy of the U.S. to stimulate and encourage American private enterprise in the less-developed world."

He continued: "As Americans become more interested in Africa, Africans and Americans will grow to know each other better. At the outset, however, it is to be anticipated that the inexperience of each party with the other may lead to problems. Thus, for example, an American pharmaceutical company found itself in the middle of a local political dispute in Ghana and felt it necessary to withdraw from its proposed investment.

"Much of the problem could be traced to the fact that the American company did not have experience in Africa and that the Africans did not realize that the American company would become so concerned over a local political debate that it would withdraw rather than continue with its investment.

"Another company, more experienced in Africa, is proceeding with its investment in Ghana because its knowledge of Africa makes it ideally equipped to understand and cope with local problems which may develop."

Agribusiness ventures

Smith reviewed various AID investment guarantee and survey programs in the African nations. He described a field-to-table crop and animal production program in which the agency hopes to enlist the technical and managerial know-how of U.S. agribusiness firms. Smith said that 16 of these integrated large-scale operations are now being given preliminary studies, eight more have moved to the stage of specific operational studies, and two others have now resulted in decisions by U.S. companies to invest and produce.

John C. Montag, vice president of the Caterpillar Tractor Co., brought his company's Latin American experience to the conference podium. Balancing the pluses and minuses in the southern half of the Hemisphere, he concluded that "opportunity exists . . . the challenge to ingenuity is there . . . the potential is worthy of the effort."

His comment on the new system of foreign direct investment controls was that "its impact may well be broader than you had suspected. You may be certain your competitor from France, Japan, Italy or Germany will be well aware of the advantage this affords him.

"To the extent he can act and you cannot, he may intrench himself with a bigger share of the market. This in turn can defer our own nation's recovery of a satisfactory balance and result in extended controls. It behooves us then to learn to work with these new controls—to make them effective quickly so we can once again act as a free enterprise."

Problems of staffing international operations were examined by Elmer S. Groo, vice president of IBM World Trade Corp. He told how, despite efforts to develop non-Americans into international executive positions in the IBM World Trade organization, today nearly 75% of the top managerial posts are still held by Americans. He looked into the reasons:

"For one thing, it is more convenient. The American is there and he is easy to identify. But it may also be because most of us in American business have shared some convictions, or perhaps prejudices, which have very much influenced our choices of the managers for our international operations.

"Many of us believe, implicitly, that Americans are better managers.

"We believe that most foreigners are not very mobile, that their ties to home and country are stronger than their ambitions. Therefore, they are not really

Stimulus by bankers in Africa

AID's Robert Smith reported a program to stimulate initial interest in African opportunities by Americans:

"We have established an investment promotion program in Africa under which we underwrite the actual costs for Edge Act subsidiaries of commercial banks and investment houses to place representatives in African countries of their choosing for substantial periods of time, to pinpoint investment opportunities.

"These field representatives provide basic data on such opportunities which they then communicate back to their parent financial institutions in the U.S. The financial institutions in the U.S. sift the projects identified by their representatives and promote the better opportunities with their customers on the basis of each customer's known individual needs and investment resources.

"The field representatives also provide information and assistance to American investors whose interest in African investment already exists but who need help in bringing their investment plans to reality in Africa.

"AID finances the out-of-pocket costs of the field representatives. The promotional efforts of the financial institutions and any profits or fees earned are not financed by AID but must come from the promotion itself. Recovery of promotional expenses and profit is wholly contingent upon the financial institutions' succeeding in promoting and financing investments."

The participants are: 1) First Chicago International Finance Corporation (an Edge Act subsidiary of First National Bank of Chicago), Glore Forgan, Wm. R. Staats, Inc., and William Blair and Company acting through the Mid-America International Development Association (MIDA) of Chicago. 2) Crocker-Citizens National Bank of San Francisco. 3) Wachovia International Investment Corporation (an Edge Act subsidiary of Wachovia Bank and Trust Company of Winston-Salem) and First Wisconsin Company (an Edge Act subsidiary of First Wisconsin National Bank of Milwaukee) acting as the African Investment Association. 4) Eastman Dillon, Union Securities & Company of New York City operating as African Development Corporation. 5) New York Securities Company of New York City operating as Pan African Development Corporation.

These eight financial institutions will eventually have a total of 14 men in seven African cities (Addis Ababa, Kampala, Nairobi, Accra, Abidjan, Casablanca and Rabat).

candidates for the top jobs in international operations.

"A lot of us believe that a foreigner running a local subsidiary of an American company would rather report to an American boss because he is neutral, less prejudiced and because he has better contacts back at the home office."

New situation

But conditions are changing, Groo related:

"First of all, the sheer growth of business overseas calls for increasing numbers of trained managers. We may run out of American candidates to do the job. Or the high cost of American expatriates may simply force us to take a harder look at foreign candidates.

"The second problem lies in the growing challenge to American dominance which is a concern in so many countries abroad. It implies a greater and greater need for American companies to identify with local interests; to operate like a French company in France, a German company in Germany, and a Japanese company in Japan. And while many of us pursue this principle locally, the same pressures may influence our choice of people for international management.

"One facet of this problem lies in the growing preoccupation abroad with the so-called technology gap. Through continuing debate in the press, the government circles and in international seminars—and with some prodding by American observers—the realization has gradually come that the gap is as much or more related to management as it is to technology. If we agree that there is some substance to a management gap, then we will do well to do our part in relieving it, if we want to keep the doors open to overseas markets.

"Finally, and perhaps the most important consideration, is that we provide the same opportunities for growth in the corporation for our foreign nationals that we do for our Americans. In a company like our own where Americans make up less than 2% of the total employees of our international company, it seems inconceivable that the growth opportunities for non-Americans should be limited to their local organizations, especially when it is we, and not they, that make the assumption as to the limits of their ambitions."

The growing apprehension in Europe over U.S. economic penetration referred to by Groo formed the core of a presentation on the current European scene by Andrew W. Rose of the Borg-Warner Corp. Rose quoted from the French best seller, "The American Challenge," by Jean-Jacques Servan-Schreiber, to warn conference participants that a mood of resistance to the U.S. presence in the Western Europe nations must now be taken into account by American businessmen.

A market report on the Far East by Louis F. Dempsey of the Northern Trust Co. emphasized the sheer numbers there of the present and future customers for U.S. goods, far outpacing population totals in other regions of the world.

Dempsey also made the point that Americans are now beginning to understand that "the U.S. is a Pacific country." He said that most Americans might be surprised, however, to know that one consumer survey undertaken in a Southeast Asia country learned that 45% of the respondents had bank accounts, and that 68% of those surveyed believed that U.S. products were the best in the world.

Two J. Walter Thompson advertising executives, Robert L. Edens, Jr., and Gordon Effer, told the conference that a major language now in world marketing is the "language of woman." To compete in the consumer products markets worldwide, they suggested, means "competing for a share of her mind."

"Get out of the automotive business or the food business or the silly putty business or whatever business you're in and get into the business of running a family and a home . . . act like a man, but think like a woman," they urged.

The conference opened with a pro-and-con presentation on U.S. import quotas. John P. Roche, president of the American Iron and Steel Institute, argued for institution of quotas to protect his industry, and Carl J. Gilbert, chairman of Gillette Corp.'s executive committee, took the free trade position.

Roche said that steel imports from Europe and Japan now account for 12% of the U.S. market, and can go up to 18% by 1971. Unlimited growth of these imports, he said, can ruin the domestic steel industry, with resultant harm not only to the U.S. economy but to the national security.

The key element in the competition, he contended, is unrealistic pricing—because foreign producers are being used as "instruments of government" abroad.

Opposing view

Gilbert countered:

"With quotas in effect I would expect within a short term of years to find the American steel industry permanently priced out of the international market and to be returning to the Congress again and again asking the Congress for further legislation to erect other and higher barriers to protect them against the inevitable consequences of the earlier measures enacted to enable them to avoid the restraining influences and stimulation afforded by competition.

"Most of us have learned the hard way the basic truth that in this hard world in which we live, no one is going to get anything of value for nothing. The same is true of whole countries in the field of national trade regulation.

"If new tariffs are imposed, or quotas established by the United States at the instance of one industry, some other American industry or industries must be made to pay the price for that new protection, either by compensatory reductions in tariffs or imports in their fields or through consent by the U.S. to increases of foreign tariffs on U.S. exports.

"At its best, this is bad, since in its simplest terms this involves robbing Peter to pay Paul—a regrettable degree of direct participation by government in the allocation of foreign trade between industries.

"Under the present circumstances, with the President's power to negotiate such compensatory adjustments in tariffs having lapsed, the only remedy available to the foreign governments affected is by way of retaliation—in each case affecting third countries' trade as well—which inevitably would be followed by a chain reaction of counter-retaliatory moves around the world, affecting all of our foreign trade."

Fresh starts abroad

Extent, location and type of U.S. business activities abroad have been the subject of a continuing survey by the firm of Booz, Allen & Hamilton, as reported to the Chicago conference by vice president Frederick A. Teague.

Coverage is divided as follows:

New establishments: new business units initiated or acquired, wholly or partially, in a particular country.

Expansions: expansions of previously established business units in a country.

Licensing: contract agreements concluded, involving an exchange of proprietary rights with a foreign group.

On the average, over the years 1960 through 1966, 1,116 U.S. firms undertook new foreign activities. Of these only 18% were expansions of existing units while 82% were totally new investments or licensing arrangements.

AGAINST THIS BACKDROP of the 31st Chicago World Trade Conference three Illinois firms received 'E' awards for increasing exports, helping to make Illinois top state in export of manufactured products.

Chicago conference included presentation of 'E' awards to three Illinois exporters

Travenol Labs, International Minerals & Chemical Corp. and E. D. Etnyre & Co. increased exports by various programs

Three Illinois companies were honored before their Midwest colleagues for increasing their exports through such means as extensive market research and liberal credit terms.

Travenol Laboratories, Inc., of Morton Grove, E. D. Etnyre & Co. of Oregon, and International Minerals & Chemical Corp. of Skokie also made use of multilingual advertising, training programs, and participation in trade shows.

Presidential 'E' awards were presented to them during the recent Chicago World Trade Conference.

Travenol Laboratories, the operating subsidiary of Baxter Laboratories, manufactures medical and surgical equipment. Initially, from its founding in 1931, the company specialized in intravenous solutions and related equipment for feeding patients temporarily incapable of eating normally. Travenol has since diversified and now manufactures and markets a variety of specialized medical products worldwide.

Although the firm had made export sales from its founding, it did not actively solicit them until 1960, when an international division was established. This division set up various sales organizations and manufacturing subsidiaries.

Travenol has extended credit terms and deposited inventory on consignment to meet competition in Latin America, the Far and Middle East, and Africa. European suppliers have traditionally extended longer terms of credit.

Travenol uses U.S. Department of Commerce services, such as publications providing market data and specific bidding opportunities in individual countries. The company exhibits at trade fairs, usually through its overseas subsidiary in charge of the country involved.

In conducting market research, Travenol consults Commerce and State Department reports on the status of medical treatment in various countries. In addition, data can often be obtained from the individual countries, either from the Ministry of Health or from private sources. A personal survey is occasionally taken, such as those recently completed by two staff members in Spain and Central America. They traveled around the country, making note of available hospital and medical care.

Travenol operates manufacturing facilities located in various parts of the United States, as well as Canada, Mexico, Brazil, Colombia, Costa Rica, Puerto Rico, Australia, Belgium, England, France, and South Africa.

The company schedules annual meetings in the United States with general sales managers of its foreign subsidiaries in attendance, to discuss new products and pricing, promotional and distribution policies.

Travenol informs its distributors of latest developments through sales and product information bulletins, and through periodic trips abroad to train salesmen, visit major clients along with the distributor, and discuss better servicing. Distributors, for their part, furnish the company with information about competitive activity, product modifications, or special projects which might be successful in a particular country.

Travenol operates warehouses in Panama and Denmark to provide better service to its distributors in neighboring areas.

E. D. Etnyre & Co. began exporting actively in 1964. Since that time, the company has upgraded its distributors in eight countries, and appointed 18 in additional countries. Etnyre used Department of Commerce Trade Lists to help locate these distributors.

Credit terms liberalized

Etnyre has liberalized credit policies to extend more favorable terms to distributors, and instituted a program in which company representatives visit the distributors, and distributors and their customers are encouraged to visit Etnyre plants in the United States. Under the revised credit terms, Etnyre now extends open account, sight draft and Eximbank financing to distributors.

Etnyre expedites export inquiries and orders, and in most cases is able to provide quotations within 24 hours.

The company makes use of World Trade Directory Reports, Overseas Business Reports, and other Commerce De-

'E' AWARDS WERE PRESENTED by Assistant Secretary of Commerce Lawrence C. McQuade (r.) to H. H. and R. D. Etnyre (l.) of Etnyre & Co. and Henry M. Kusher (3rd r.) and Charles A. Schwarts (2nd r.) of Travenol Laboratories. The award to International Minerals & Chemical was made later.

partment publications in its market research. It publishes basic manuals and literature in foreign languages to educate the dealers, their staffs and the customers about company products.

Etnyre has designed a special model of its road-building equipment specifically for the export trade, and now has a larger model for export in the design stage.

The company has contracted several licensing agreements wherein dealers make the equipment locally and Etnyre supplies the components. This enables the firm to avoid high freight charges for shipping a large, heavy product overseas, and to comply with the restriction of many governments that forbid importation of products that are made locally. Furnishing components rather than complete units has enabled Etnyre to sell equipment in countries where it could not otherwise compete.

In conducting market research, Etnyre sent a questionnaire to all foreign dealers. It evaluated the results to determine product potential, dealers' needs, and competition.

International Minerals & Chemical Corp. was founded in 1909 as a miner and refiner of Florida phosphate, primarily for the chemical fertilizer market. The company today also produces potash and nitrogen, the other two basic fertilizer materials.

In recent years IMC has developed a series of special marketing programs in developing countries to promote the use of chemical fertilizers. This has created markets where previously either none or very minimal ones existed. In developed countries, IMC works to increase the size of its market.

Through the National 4-H Club Foundation, IMC has sponsored six-month visits by 70 young American farm men and women to farms in India, Japan, Colombia, Mexico, Brazil, Argentina and Thailand, and visits of an equal number of rural young men and women of those countries to U.S. farms.

Because so many of its exports are to developing nations, the company has established a follow-up marketing program in which it offers technical services. In this program, IMC specialists visit customer fertilizer plants to demonstrate better ways of making and selling products, and meet with buyers to show them how to use IMC materials more effectively.

The company tailors its products to individual requirements. For example, it produces a special grade of potash for Japan, as requested, produced according to customer specifications.

To promote foreign sales, IMC has extended credit to customers, underwritten unloading and distribution facilities, and helped with ocean freight problems. Nelson C. White, company president, accepted the 'E' award from Paul E. Pauly, director of the Commerce Department's Office of International Trade Promotion.

West German company denied U.S. export rights pending results of probe

The firm Petroservice International G.m.b.H. of Wiesbaden, West Germany, and its technical director, Joseph S. Versch, have been denied all U.S. export privileges temporarily, pending completion of an investigation of suspected violations of export control regulations.

The U.S. Department of Commerce's Bureau of International Commerce (BIC) said there was reason to believe the parties had improperly disposed of U.S.-origin strategic commodities. The action was taken to prevent the firm and its responsible officials from obtaining additional U.S. goods which could be reexported to unauthorized destinations.

The denial action, effective for 45 days, also extends to Bavaroil Establishment, a Liechtenstein firm with substantial ownership interest in Petroservice and, according to BIC's information, controlled by Versch. The order also applies to Michael Schmidt-Sandler, manager of Petroservice.

The order supersedes one issued last July against a predecessor company, also known as Petroservice International G.m.b.H., wherein it was found that the company was a related party to Manfred Hardt, who is subject to an export control denial order.

Interest, other transfers covered in two investment control rules

General Authorizations Nos. 2, 3 added to January regulations; supplement also issued to report form for extraction companies

Payments of interest by U.S. companies to foreign affiliates in connection with borrowings by or for the parent company are being authorized by the Office of Foreign Direct Investment of the U.S. Department of Commerce.

The interpretation was contained in one of two General Authorizations to the Foreign Direct Investment Regulations which were published in the *Federal Register* Feb. 29.

The other General Authorization provides that direct investors will not be required to repatriate earnings of their affiliated foreign companies in Schedule A and B countries to the extent they are authorized to make equivalent transfers of capital to those foreign companies in the same year. In general terms, Schedule A and B includes all nations outside the Western European Continent.

In the absence of this ruling, some companies might be in the position of being required to return earnings to the United States while at the same time transferring the same amount of capital to the foreign affiliate.

The authorization on interest payments also relates to the sale of patents and trademarks by a parent company to its foreign affiliate.

In addition, the *Federal Register* for March 6 contains a detailed description of the organization and functions of the investment control office. The new explanation gives additional details on the policy review staff, authorizations division, program reports division, and compliance division of the OFDI unit.

The OFDI also announced that a substitute has been issued for Supplement 5 to the Base Period Report, FDI 101, making technical corrections. Supplement 5 is for use by companies involved in the extraction of gas, oil and other minerals in other countries.

Joseph W. Bartlett, Commerce Department general counsel and acting director of the Office of Foreign Direct Investments, said other interpretations of the regulations would be issued in the near future.

These General Authorizations constitute the second and third in a series of documents to be released and published by the Office of Foreign Direct Investments dealing, by way of authorization, interpretation, amendment, or otherwise, with matters within the scope of the Jan. 1 Executive Order 11387. Details follow:

General Authorization No. 2. Limited Authorization to Refrain from Repatriation. Notwithstanding the Provisions of paragraphs (a) (1) and (b) (1) of section 1000.202 of the Regulations a direct investor is authorized in any year to refrain from transferring from Schedule A or B countries to the United States amounts representing earnings of its affiliated foreign nationals in such countries to the extent transfers of capital of such amounts would be generally authorized as transfers of capital in that year to affiliated foreign nationals in the same respective Schedules pursuant to paragraphs (a) (1) or (b) (1) of section 1000.504.

General authorization No. 3 Authorized Transfers of Capital. The following transfers of capital are authorized:

1) Payments by a direct investor of interest currently due, prepayments of interest (provided that such prepayments are made in the course of customary lending practices or commercial transactions), and payments of commissions and fees in connection with borrowings by a direct investor.

2) The sale, license, exchange, assignment or other transfer of patents, trademarks, trade secrets, or proprietary information and processes to an affiliated foreign national or nationals. The foregoing shall also apply to the furnishing of services if solely incidental to any such transactions.

Example: Direct investor "A" holds rights to a secret process for making electrical equipment, which process is incorporated in a technical manual. It transfers the rights and the manual to an affiliated foreign national as a contribution to its capital and, in addition, provides without charge the services of an employee to the affiliated foreign national for a period of six months to assist in putting the process into operation. No account need be taken of the value of the employee's services for purposes of section 1000.312 of the Regulations as long as the furnishing of such services is solely incidental to and not a substantial part of the transaction.

If a transfer is made pursuant to this subsection (2), the direct investor shall compute the earnings of the recipient affiliated foreign national, for purposes of determining amounts which must be repatriated pursuant to section 1000.202 of the Regulations, without deducting amortization, or any like charge against earnings, with respect to the property so transferred.

3) A transfer of capital by a person within the United States to acquire the stock or debt obligations of, or interest in, an affiliated foreign national to the extent the transfer is to another person within the United States acting for its own account. The provisions of this subparagraph (3) are considered to cover purchases and sales of interests in affiliated foreign nationals by; and among two or more persons within the United States acting as principals and do not include other direct or indirect transfers of capital to affiliated foreign nationals as, for example, the satisfaction by a direct investor of the obligations of an affiliated foreign national to a bank or other creditor within the United States.

Pacific foreign trade seminar will be held in San Francisco

"The Crisis Facing the Pacific Coast's Foreign Trade" will be the subject of a seminar scheduled for Thursday, Mar. 14, at the Fairmont Hotel in San Francisco. The seminar will be sponsored by the California Council for International Trade, with eleven organizations acting as co-sponsors, including the San Francisco Area World Trade Association, the Regional Export Expansion Council of San Francisco, and the Oakland World Trade Club.

The principal address on "United States Foreign Trade Policy" will be made by George R. Jacobs, U.S. Deputy Asst. Secy. of State for Economic Affairs.

Other speakers include Nelson A. Stitt, director, United States-Japan Trade Council, Washington, D.C.; Gerald H. O'Brien, executive vice president, American Importers Association, New York; Francis X. Boylan, president, Foreign Credit Insurance Association, New York; Donald Taylor, international trade specialist, Oregon State University; Robert E. Gomperts, vice president, Calagrex, Inc., San Francisco; and James E. Bellamy, president, West Coast Metal Importers Association, Los Angeles.

Japan hospital trade sees U.S. equipment at Tokyo exhibition

Sales of labor-saving machinery, supplies expected to top $1 million

Thirty-four of the 35 U.S. companies represented in the show of institutional hospital equipment and supplies at the U.S. Trade Center in Tokyo, Feb. 19-24, expressed their hope to participate in future Trade Center shows.

Sales recorded immediately at the Trade Center totaled $107,198, with projections for sales during the year following the show reaching over $1 million.

All the companies achieved their primary marketing objectives at least in part, with the large majority of exhibitors reporting that the results of their participation in the show met or exceeded their pre-show expectations.

Eight of the U.S. manufacturers in the exhibition were freshman exporters trying their hand at international business for the first time, and another two were sampling the Japanese market for the first time.

Permanent agents or distributors in Japan were sought actively by seven of the firms in the show, and by the end of the six-day exhibition four agents had been definitely appointed, with another 13 agreements in the works.

American Medical Export Development Corp. completed two agency-distributorship negotiations, reached agreement on a licensing plan, and predicted that its sales in Japan as a result of the show would reach $60,000 within the coming year.

The extensive coverage given to the Trade Center show both by the Japanese trade press and by public media indicated the timeliness of the medical and hospital equipment theme. Over 20 daily and trade publications sent photographers and reporters to cover the show, and the major national television networks sent camera crews to cover the opening ceremonies and the exhibits.

A total of 1,166 representatives of the Japanese medical and hospital trade came to see the American equipment shown at the Trade Center, including the Japanese Government Minister of Health and Welfare and the president of the Japan Medical Association.

U.S. AMBASSADOR U. Alexis Johnson (above, center) introduces Lawrence Hoffman (right) to Health and Welfare Minister Sunao Sonoda and president Taro Takemi of Japan Medical Assn. (far left).

MOTORIZED PATIENT CARRIER is shown (above) to opening day VIP visitors by president of Major Laboratory, division of Fairway King. Bird Super Nebulizer is demonstrated (below) by Japanese agents.

Worldwide Business Outlook pages 24-32

CURRENT BUSINESS DEVELOPMENTS IN BRIEF: The **Dominican** Industrial Development Corp. recently published a list of 44 industries which it feels would be feasible in the Dominican Republic. A copy of the original list in Spanish, or an informal English translation, is available from the American Republics Division, OIRE/BIC, Dept. of Commerce, Washington, D.C. 20230. . . . The Jensen Engineering Co., machinery manufacturer from Tulsa, Oklahoma, has founded a sales subsidiary for the **German** market. The new Jensen International G.m.b.H., with headquarters in Frankfurt/Main, has a capital of 40,000 German marks ($10,000). Jensen International specializes in mixers which the new subsidiary is to sell to trade outlets in the Federal Republic. . . . Official trade statistics reveal that total **Spanish** imports fell to $3.48 billion in 1967, 2.9% below the total of $3.59 billion in 1966. Total exports, however, rose to $1.38 billion, 10.4% above the $1.25 billion in 1966. The U.S. share of Spanish imports was $584 million (16.8%) in 1967, a decrease from $609 million (17%) in 1966. Spain's sales to the United States expanded to $202 million or 14.6% of total exports, up from $147 million (11.7%) in 1966. . . . Preliminary results of the **Tanzanian** Census of August 1967 show a combined population of 12,231,000 for mainland Tanganyika and its island partner state of Zanzibar. Although this would amount to a dramatic 34.6% increase since the enumeration of 1957, the earlier census apparently was greatly undercounted. According to the Census reports, the population has become increasingly urbanized: some 5.4% of Tanzania's people now reside in urban areas. The largest of these is the capital city of Dar es Salaam, with a population of 272,515. Raw population data are now being processed and a final Census report, including ethnic and socio-economic analysis, probably will not be available before 1969. . . . **Yugoslavia's** fifth free trade zone will open in May. Located at Novi Sad on the Danube, it will cover an area of about 120,000 square meters (approximately equal to 30 acres).

Lebanon recovery likely

Business climate gradually improves following setback of bank closure, Mid-East War

By DONALD C. IDE
Commercial Attache, U.S. Embassy, Beirut

Provided there is reasonable political stability in the area during 1968, overall American trade with Lebanon is expected to recover somewhat from the setback caused by the hostilities of 1967, but is not likely to equal the record levels of 1966.

Approximately 400 American firms maintain regional offices in Beirut, an increase of nearly 35 during the past 18 months, despite the unsettled conditions in the Middle East. This is a clear demonstration that American business has confidence in the Near Eastern market, understands the needs, aspirations and potential of that market, and intends to wage an energetic campaign to develop and expand its already large business and investment stake in the Middle East.

There is substantial evidence that the Lebanese economy had become overheated in 1965 and 1966. The country was enjoying an unprecedented building boom; credit was granted freely and often imprudently; more and more firms were entering the highly competitive import business, in some cases with very thin capital backing; and certain product lines were clearly oversold.

The closure of Intra Bank, Lebanon's largest banking institution, in October of 1966, followed by the Middle Eastern war of June 1967, shook the nation to its foundations, striking hard as it did at the most prosperous elements of the Lebanese economy—tourism, construction, trade, and finance.

According to one of Lebanon's outstanding economic leaders, 1968 is the year in which the problems of 1966 and 1967 must be liquidated. Should this process be too slow, he fears the general level of business activity may well fall below 1967 levels.

Improvements in economic conditions, some of which have already begun, are expected to be steady if unspectacular. The economy, when it finally does recover, is likely to be sounder than in the past.

Arab tourism increasing

An increasing number of Arab tourists are expected to summer in Lebanon during 1968. Such increases, however, will not offset the loss of American and European tourists who formerly stopped in Beirut as part of their Holy Land tours. Although it is possible that an acceptable political settlement in the area will reopen this tourist traffic, it seems unlikely that there will be such a settlement early enough in 1968 to have a material effect on this year's level of tourist travel and U.S. trade with Lebanon.

Construction came to a virtual standstill for several weeks after the June war. This has largely been resumed and buildings that were under construction at the time of the war are being completed rapidly.

More serious is the fact that requests for new building permits are far below normal and there is little evidence to show that oil money from the Persian Gulf and the Arabian Peninsula, much of which was invested in real estate, has begun to flow back to Lebanon on its former scale. This inevitably will have an effect on construction-related industries in Lebanon and on the import of building components.

Money and credit are scarce. Even while bankers insist that there is plenty of money available for good credit risks, they are increasingly selective in their lending policies. Although some bankers fear there will be some serious bankruptcies, well-run and well-established firms should not encounter too much difficulty in weathering a period of restricted credit.

American firms that have had a satisfactory trading relationship with Lebanese agents may find that providing greater credit facilities will result in increased

sales. In the present state of the market this should only be done on a highly selective basis after careful investigation. As the Government demonstrates its intention to continue to protect Lebanese depositors, confidence should return to Lebanon's financial institutions.

The reopening of Intra Bank at year's end gave a needed psychological boost to Lebanese business, although the Bank will require more time to reorganize and resume its important role as an investment institution.

Although trade is expected to pick up at the distributor level, many American suppliers may find their orders from Lebanon in 1968 disappointing, as excess inventories accumulated during 1967 are worked off.

Entrepot trade interrupted

Steamship services formerly provided by lines en route to and from the Indian Ocean are no longer available due to closure of the Suez Canal. Although this has interrupted some of Lebanon's entrepot trade, it has in other respects stimulated air and overland trans-shipment of goods to destinations in Iraq, Jordan, the Arabian Peninsula, and the Gulf area.

Prospects for some of the leading American export commodities to Lebanon are considered separately below:

Wheat: During 1967, as a gesture of support and confidence in the Government of Lebanon, the Commodity Credit Corp. (CCC) agreed to resume credit sales directly to the Government. It is expected that during 1968 total Lebanese imports of wheat from the U.S. may reach $10 million.

Automobiles: 1967 was a difficult year for American automobile sales in Lebanon. The banking crisis, tight credit, and the June war reduced Lebanon's world imports of automobiles from 11,748 in 1966 to 8,962 in 1967. Relatively high prices, increased taxes, and import duties combined to slash the American share of the market from 2,534 units or 21% to 1,450 or 16% in 1967. Regional representatives of American automobile firms as well as Lebanese distributors are hopeful that automobile sales in 1968 will exceed those of 1967, but not even the most sanguine expect to attain the 1966 levels.

Pharmaceuticals: The entire Middle East represents a growing market for pharmaceuticals. As a result, over 20 American pharmaceutical manufacturers maintain regional offices in Beirut to enable them to compete more effectively in this expansion. One American representative explained that the growth rates for the consumption of pharmaceuticals in the Middle East exceed those of South Asia, the Far East and Africa. It is a highly competitive market, however, and U.S. brands are facing intense competition from Swiss, German, British, Italian and other European producers. Despite the competition and the upset conditions in the area in 1967, some American drug firms registered larger sales in Lebanon than in 1966, and expect further increases in 1968.

Refrigeration and air conditioning equipment: For many years Lebanon has been one of the most active markets in the world for American household refrigerators. What European competition existed was primarily for the smaller sizes and represented only from 20 to 25% of the market. Inevitably the intense competition between U.S. companies led to the establishment of several Lebanese manufacturing plants; this in turn has led to demands for protective duties.

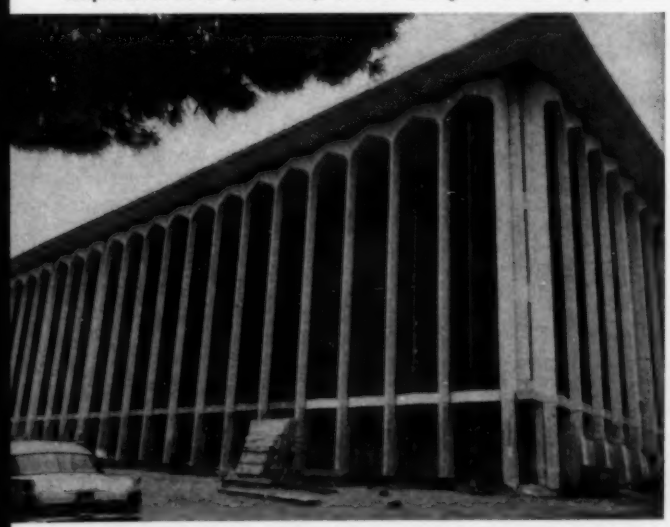
The economic depression plus the war cut deeply into refrigerator sales in 1967. While Lebanese distributors have every prospect of excellent sales in 1968 as confidence returns to the market, this may not be reflected in increased shipments from the U.S., since many distributors will be disposing of large inventories accumulated in 1967. Inevitably, over the long run, as domestic manufactures increase, the U.S. export market to Lebanon for household refrigerators will decline, in many cases to be replaced by licensing or manufacturing proposals.

Virtual U.S. monopoly

Air conditioning has been almost entirely an American monopoly. In 1966, according to Lebanese Government statistics, the United States provided 96% of the self-contained air conditioning machines imported into Lebanon. The restricted credit and shock of the war cut deeply into this business in 1967; however, distributor sales are expected to recover to near 1966 levels during the coming year. Although the expected slowdown in construction may retard this recovery a bit, increasing prosperity and rising standards of living insure increased markets for both room and industrial air conditioning for the foreseeable future.

Aircraft: Lebanon's three airlines, Middle East Airlines, Lebanese International Airways, and Trans-Mediterranean Airways are all in need of additional

MIDDLE EASTERN HEADQUARTERS for American Life Insurance Co. nears completion in Beirut (below left). UNIPAK Corrugated Container plant near Beirut (below right) represents a joint venture of the Mead Corp., an Ohio firm, and Swedish and Middle Eastern manufacturing interests.



Embassy offers special services

The staff of the American Embassy in Beirut gives active support to U.S. businessmen already in Lebanon and those seeking to enter the market for the first time. A Sample Display Center is maintained, where American firms can arrange to display samples of their products at minimum cost to test their suitability to the Lebanese market and obtain a local agent. In 1967 fifty-two exhibits were displayed, from which 14 agency agreements have already been concluded.

The Display Center also is available for special promotional shows by firms already in the market. Three such special exhibits, covering medical equipment, power and handtools and household appliances will be held in 1968.

The office of the Commercial Attache maintains a regional information center where basic information on most Middle Eastern countries is available to American businessmen.

It publishes a booklet entitled *American Business Concerns, Educational and Philanthropic Institutions,* listing American firms maintaining offices in Lebanon. It also publishes a *Middle East-Commercial Newsletter* in English and Arabic, which covers significant new developments in the area, new American products, and trade opportunities. At present this publication is distributed in Jordan, Kuwait, Lebanon, Saudi Arabia and the Trucial States.

equipment. Munir Abu Haider, President of Trans-Mediterranean Airways, Lebanon's rapidly growing international freight line, estimates that within the next ten years Lebanese airlines will require $240 million in new equipment. In the immediate future, if financing can be obtained, orders worth $60 million are expected to be placed with American firms for delivery in 1970.

Feeds and feed grains: Feed products have been a major American export to Lebanon. Based primarily upon a rapidly expanding poultry business, the future of U.S. feed and feed grain exports to Lebanon depends primarily upon the state of health of the Lebanese poultry industry and on a rising livestock industry. Although this was badly shaken by the June war and difficulties with exports to Iraq, a large measure of recovery has been achieved and both the poultry and the feed business will probably be substantially better in 1968.

Tobacco rebounds

Cigarettes: During 1967 American cigarettes were subjected to a temporary unofficial boycott caused by the Arab-Israeli war. A quick recovery was made however, and by year-end total sales were almost as high as the record year 1966. Officials of the Regie (the Lebanese Tobacco Monopoly) report that consumption of their locally-manufactured brands are growing rapidly, but these are cutting into imports of oriental cigarettes and not American varieties. The Regie anticipates that more American cigarettes will be imported in 1968 than ever before and they also expect to import over $200,000 worth of leaf tobacco for blending purposes in Lebanese manufactured cigarettes.

Service industries: A significant contribution to Lebanese economic life is made by American firms located in Beirut and offering a variety of useful services. These include banking, insurance, investment, consulting engineering, air and sea transportation, storage packing and transfer, printing, advertising, accounting, and data processing. Among the newcomers to Lebanon during 1967, in spite of the troubled times, were: First National Bank of Chicago, which purchased controlling interest in Banque Naayem, S.A.L.; Geophysical Services, a division of Texas Instruments Inc., which expects to establish a seismic data processing center in Beirut for the Middle East oil industry; and Chemical Construction Corp. (CHEMICO), which will do engineering design and construction work for the petroleum and chemical industries of the region.

Investments: During 1967 UNIPAK, a joint venture between the Mead Corporation and Swedish and Middle Eastern interests, completed construction of a $1 million corrugated container plant. This will provide a low cost efficient container for Lebanon's produce exports and will assist Lebanon's balance of payments, both by eliminating the need to import lumber and by supplying cartons to Middle Eastern industries.

Scheduled for completion during March 1968 is the American Life Insurance Company's new office building that will serve as a regional head office. Situated on the outskirts of Beirut, this classically modern building with its spacious recreational area represents an investment of almost $7 million.

By far the largest American investments in Lebanon are in the petroleum field. These include pipeline terminal and refinery operations and oil and gasoline distribution facilities. The war caused some serious interruptions in pipeline deliveries in 1967. Because of the Suez closure pipeline deliveries may set new records in 1968. Expansion of Lebanon's refinery capacity may begin in 1968 either through expansion of the two existing plants or by licensing a third refinery.

Sobering as certain of the short term economic indicators are, Lebanese and many experienced foreign firms are confident that they will witness another demonstration of Lebanon's amazing economic resilience. Sometimes called the "Lebanese Miracle," it is undoubtedly the result of Lebanon's free economy which permits the independent spirit of the Lebanese people, coupled with their historic trading skill, to adjust quickly to a new situation.

During the spring of 1968, Lebanon will elect a new parliament. The outcome could have an important influence on the economic climate of the country. With the new parliament formed and a political pattern established for the next several years, the Government may be able to take effective steps in the economic field to restore confidence at home and abroad in Lebanon's financial and economic institutions. This would accelerate recovery and increase the prospects for increased trade and investment in 1968.

Auckland foundation to hold business, law forum in May

The Legal Research Foundation, Inc., Auckland, New Zealand, has announced plans for the 1968 International Business and Law Symposium, to be held in Auckland, May 24-27. Businessmen from the United States have been invited to attend.

The program will include papers on vital trade topics written by experts in Australia, New Zealand, Japan, the United States, Great Britain, and Canada. Among subjects covered will be: the development of Pacific trade (including the feasibility of a Pacific Free Trade Area); carriers' liability and containerization; business financing; consumer protection; and industrial and labor laws.

The 1967 edition of the Symposium attracted some 600 businessmen representing 80 organizations.

Write: Peter Neil, Chairman, Legal Research Foundation, Box 2781, Auckland, New Zealand.

Expanding Panamanian economy attracts new foreign challenges to high U.S. share of market

Government lures manufacturers to country by offering controls on imports of locally-needed goods which are made in Panama

By WALTER LUBKEMAN
Commercial Attache, U.S. Embassy, Panama City

Panama looks forward optimistically to 1968, confident that business and industry will break the many record levels achieved during 1966 and 1967.

Panama has one of the highest growth rates of Gross National Product and per capita GNP in all of Latin America. Its 1967 GNP has been estimated at $730 million and its per capita GNP at $550, both at constant 1965 prices. George D. Woods, retiring President of the World Bank, has listed Panama as one of nine developing nations likely to double its GNP during the 1960's.

The expanding Panamanian market—small, but characterized by a high propensity to consume—is presenting additional opportunities to U.S. business and investment capital.

Opportunities for American business are particularly attractive in the manufacturing industries (particularly food processing and consumer items), as well as in the possibilities for using the country as a base for entrepot activities through the Colon Free Zone. Market possibilities for U.S. exports of capital and semi-processed goods also should be good.

The traveler arriving at Panama's Tocumen International Airport and proceeding into Panama City will notice that the majority of the many billboards lining the road feature familiar U.S. brand names and firms. An increasing number, however, announce the presence of companies from other countries: Japanese electronics products, a British distiller, a Colombian bank. This phenomenon illustrates the increasingly intense competition in the basically U.S.-oriented import market.

Trade missions from The Netherlands, Great Britain, and Venezuela have recently visited Panama. French capital has financed Panama's first large textile mill, Textiles Nacionales, S.A., following the financing of a slaughterhouse in the city of David. A Spanish consortium is preparing the designs and specifications for a major hydroelectric project on the Bayano River.

A variety of Japanese products from photographic equipment to cars and tires, West German medical equipment and finance capital for hospital projects, clothing items from Western European countries, and other attractively-priced goods are finding increasing acceptance.

Stronger competition

At the same time that more intense foreign competition is confronting U.S. sales efforts in the Republic, the Panamanian Government is actively encouraging and protecting new local industries, principally through the imposition of import quota restrictions. The textile mill mentioned above has requested and obtained Governmental restrictions on the import of cotton textiles. Though the U.S. may increase its raw cotton exports to Panama to meet the needs of the mill, imports of textiles from the U.S., which had been a major item, will unquestionably suffer.

A major U.S. tire company is awaiting approval from the Panamanian Government to put up a tire factory; if approval is granted, quota restrictions on tire imports will be imposed.

Over 140 items—from chewing gum to aluminum profiles—are presently subject to quota restrictions and the list is steadily being lengthened as new local enterprises are organized.

The Panamanian Government is convinced that its industrialization program is sound and imperative to provide employment and reduce import expenditures. However, the policy has been subjected to vociferous opposition, spearheaded by the Panama City Chamber of Commerce and Industry, composed in large measure of local merchants and importers, who argue that the Government's policy will create inefficient and monopolistic enterprises producing inferior products at significantly higher cost to the consumer.

Not opposed to industrialization in itself, critics of the present policy argue that what Panama needs are outward-looking export industries capable of competing in the world marketplace.

Panama has accepted the goals of the Alliance for Progress and is attempting to bring the fruits of progress to all its citizens. However, income disparities exist and all sectors do not yet participate equally in the expanding economy. Panama City continues to be the center of

COLON FREE ZONE brought trade transactions estimated at over $300 million to Panama during 1967.

economic activity, with some 70% of the country's manufacturing facilities.

A $4 million hydroelectric plant at La Yeguada was placed in operation in September. Construction of another electric plant at Las Minas Bay near Colon is underway, and it is scheduled to come on stream early in 1969. Designs and specifications are being prepared for a third multi-million dollar power project on the Bayano River, scheduled for completion in 1972.

U.S.-assisted projects underway

With the assistance of the U.S. Agency for International Development (AID) technical advice and financing, urban housing, highway, and road construction projects are underway as part of an effort to improve living conditions in highly congested urban areas.

A call for bids was recently issued by Panama's Social Security Administration for a multi-million dollar medical center in Panama City. A request for bid tenders should be issued this year for the regional hospital in Aguadulce (construction and equipment) and for the provision of medical equipment for a new hospital in Chitre.

The unicameral National Assembly passed a bill late in 1967 which provides numerous incentives for the establishment of tourist facilities throughout the Republic. Tourism may also be stimulated by the opening of the last paved section of the Inter-American Highway between Panama City and the Costa Rican border.

A modern lighting system was installed in 1967 at Tocumen Airport, and additional terminal space at the airport is also being planned. This airport activity is in recognition of the reported $30 million a year brought into the country by tourists, many of whom come by air.

Private enterprise welcome

The Panamanian Government is not the only force which is active in stimulating the growth of the national economy. Private enterprise, welcomed by the government, also is contributing to the near-boom conditions.

Panama's oil refinery has announced a $30 million expansion program to provide a petro-chemical plant. The private power and telephone company, *Compania Panamena de Fuerza y Luz*, an affiliate of Electric Bond and Share Corp., celebrated its 40 years of activity in Panama by moving into impressive new quarters in 1967.

A communications satellite earth station is scheduled to be ready in mid-1968, a project being undertaken by a private consortium, with actual construction being done by a U.S. firm. Two major U.S. soft drink bottlers inaugurated new plants during 1967.

Retail trade is at a high level; Sears, Roebuck has opened a second branch in Panama City, and new supermarkets are constantly being opened.

Following an upturn during the latter half of 1967, the construction industry may have matched the industry's record level of 1966, when building permits totaling $20.8 million were issued.

Western Panama is just beginning to feel the benefits of its position astride an improving Inter-American Highway. The city of David's concrete highway link to Panama City was recently opened and contracts were let in Costa Rica to complete the Inter-American between David and San Jose. These developments are bringing new capital to this natural commercial and agricultural center midway between the Panamanian and Costa Rican capitals.

While in early 1966 David had only two banks offering general commercial services, the end of 1968 promises to see a total of six banking offices. Agriculture and food processing industries are expected to be the basis for expansion in the immediate future. A $12 million citrus grove processing plant complex will begin shipping bulk frozen juices in early 1968. A milk, vegetable, and fruit processing plant is also planning major expansion of its facilities in the same year, and a large brewery is nearly ready to begin production. Manufacturing outside of the food products industry, however, is negligible.

Trade figures issued by the Colon Free Zone management for the first ten months of 1967 indicate continued high levels of activity. Imports and exports through October totaled $272.5 million; the Free Zone administration estimates that the total for the entire year could exceed $300 million—a new high, exceeding 1966 by about 15%.

The waiting list of firms requesting space in the 100-acre Free Zone continues to grow. While U.S. companies, from the standpoint of dollar volume, do the major share of business in and out of the Zone, the rate of growth from other countries, particularly Japan, has been accelerating.

U.S. firms interested in selling to Latin American markets should consider the advantages of locating in the Free Zone. For detailed information, they may write directly to the Colon Free Zone, P.O. Box 1118, Colon, Republic of Panama, or visit or write to the Colon Free Zone Office, 405 Park Ave., New York City.

With the national elections scheduled for May 12, political activity and campaigning will dominate the attention of political and business leaders throughout the first part of the year.

Despite the overriding importance of this factor, business expansion is going forward and the word boom has become increasingly popular to describe the economy. Confidence in Panama has been clearly evidenced by both the foreign banking community and the Banco Nacional de Panama, which have expanded operations and opened branches in interior cities. Deposits and loans have increased.

Open-door policy

A senior U.S. bank official, during a recent visit to Panama, was quoted as stating that Panama was the Switzerland of Latin America. Panamanian President Marco A. Robles recently promised continued adherence by his country to the policy of open doors for the entry and exit of capital. Commentaries by leading business and government officials show strong support for the free circulation of the dollar in Panama.

With three products—bananas, petroleum products, and shrimp—comprising some 89% of the nation's exports, and faced with a perennial physical trade deficit which has been made manageable only through proceeds received from the sale of goods and services in the Canal Zone, Panama welcomes and anticipates an influx of new industrial ventures.

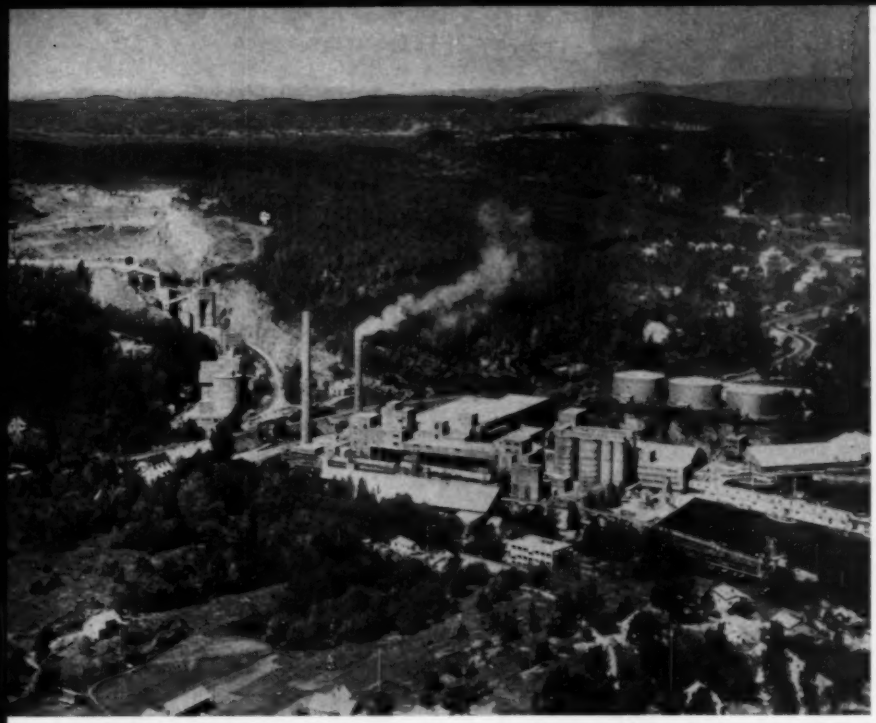
One American businessman sums up his 22 years of business activity in the Republic in these words: "Panama is unquestionably the best place to do business in Latin America."

Loan helps Thai bottler buy U.S. goods for expansion

The Export-Import Bank has authorized a $154,350 loan to North Star Company, Ltd., a Thai water treating and bottling concern, to assist in financing the purchase of American equipment needed to expand capacity. North Star will make a 10% cash payment.

Established in 1957, North Star is engaged in the processing and sale of purified water from its Bangkok plant.

It is expected that four American firms will supply the equipment to be financed by Eximbank's loan. These include Crown Cork and Seal Co. of Baltimore, Md.; Infilco of Tucson, Ariz., a subsidiary of General American Transportation Corp.; Fulton Boiler Works, Inc., of Pulaski, N.Y.; and National Filter Corp. of Mount Vernon, N.Y.



NEW INDUSTRIAL EQUIPMENT for such plants as this cement factory at Dalen should enjoy good sales.

Labor-saving equipment, machines have high promise for U.S. sales in growing Norway import market

Robust economy posted fifth straight year of strong growth in 1967; transport, electrical, non-electrical items top U.S. sellers

By V. M. ELLIOTT
Commercial Attache, U. S. Embassy, Oslo

A continuing high level of employment in Norway, and the possibility that comprehensive wage negotiations this spring will result in further pressure on manufacturing costs and profits, should sustain the demand for U.S. labor-saving machinery and equipment. Sales last year were well above those during 1966.

For the fifth consecutive year the Norwegian economy registered strong growth in 1967, achieving a real increase of 5.3% in gross national product (GNP). The domestic economic policy adopted for 1968 envisions increased Government consumption and investments, particularly investments in building and construction.

Private investment will not increase as greatly as in 1967, however, and investment in shipping is expected to decline.

While Norwegian businessmen are generally optimistic about prospects for the current year, much will depend on developments in the world at large, particularly on how quickly an upturn will occur in the economies of several of Norway's main trading partners.

Norway is heavily dependent on foreign trade, and world market fluctuations are soon reflected in the country's internal economy.

Repercussions in the Norwegian economy of reduced activity in Western Europe and the United States were evident during the second half of 1967. Although there was no pronounced slackening in total demand from abroad, orders on hand were declining, particularly in the important iron and metal industry.

According to preliminary data, the deficit on current account of the balance of payments increased from 1,185 million kroner in 1966 to 1,585 million kroner in 1967. The increased deficit was due primarily to larger deliveries of new ships from foreign yards.

The sharp rise in freight rates following the closure of the Suez Canal brought about an increase of about 800 million kroner in freight earnings to a total of 5.5 billion kroner in 1967.

U.S. shipments gain

As noted previously, exports of United States industrial goods to Norway last year showed marked improvement over 1966, with sales of transport equipment up 50% and gains of 18% and 13%, respectively, for electrical and non-electrical machinery.

Total exports from the United States were down about $3½ million from 1966, however, owing largely to a drop in deliveries of agricultural products.

A provisional estimate by the Bank of Norway puts overall 1968 commodity imports at 16,900 million kroner measured in current prices, or 5.6% higher than the 1967 figure. This estimate is based on a 1% increase in the price level for imports.

A recent study indicating that the competitive position of Norwegian industrial products has weakened during the past two years has pointed up the need for greater efficiency in manufacturing processes. Average costs per unit of production have risen by 10-11% in Norway since 1965, compared with cost increases of 5-8% in Norway's principal foreign markets. In certain sectors, the devaluation of the pound sterling and the Danish krone will further undermine Norway's competitive standing.

The attention being focused on this problem should enhance the sales opportunities for American firms in the fields of industrial assembly equipment, process control equipment, packaging equipment, and materials handling equipment.

Under certain conditions, machinery not manufactured in Norway may be allowed duty-free entry, and industrial raw materials may also enter without duty or at a lower rate than stipulated in the Customs Tariff. The U.S. Department of Commerce can supply details and a list of products to which the regulations apply.

Norwegian Government and industry leaders are becoming increasingly concerned over the problem of water and air pollution and will be watching with interest measures taken in the United States

to cope with this problem. U.S. manufacturers of water treatment equipment, and of devices to prevent or abate pollution of the air, should be prepared to take advantage of the opportunities which will arise in this market.

If, as anticipated, the work-week in Norway is shortened from 45 to 42½ hours this year, the Norwegians will be enabled even more to indulge their penchant for life in the outdoors, whether it be at the seashore in the summertime, skiing in the winter (the children are practically born on skis, and the Norwegians are still in a state of euphoria over winning the Winter Olympics at Grenoble), or hiking, hunting, or fishing.

This passion for the outdoors means big business for producers of sports equipment, leisure wear, and supplies and furnishings for the thousands of cottages the Norwegians have bought or built for themselves.

Provided the price is right, U.S. manufacturers of products designed for the greater enjoyment of this way of life should be able to do well in the Norwegian market.

Exporters are finding the U.S. Trade Center in Stockholm an excellent point of contact with Norwegian businessmen as well as their counterparts from the other Scandinavian countries. A number of shows are scheduled for the Trade Center this year which will be of particular interest to Norwegians on the lookout for new production methods and ideas suitable for use in their own industries.

To ensure maximum sales effort, efficient service, and good customer relations, new-to-market firms are advised to appoint an agent or distributor in Norway rather than to rely on a representative in another Scandinavian country to cover Norway.

Central African Republic's Plan invites private foreign investors

About 20% of planned expenditures expected to come from private foreign sources; U.S. role in tourist industry encouraged

The Central African Republic (CAR), with a land area about the size of Texas but with a population of only 1.5 million, is renewing its efforts to attract private foreign investment through a development plan (1967-70).

The Plan calls for total expenditures of $150.5 million, of which about 40% will come from foreign government assistance and 20% from foreign private investors. Only about 10% of total foreign participation has not yet been obtained or committed. One of the Plan's major objectives is to raise gross domestic product (GDP) to $190 million—$122 per capita—by 1970 (1965 GDP, $135.5 million—$99 per capita).

Foreign Minister Bandio in a recent visit to the United States particularly stressed the role of tourism in the new plan and encouraged U.S. participation in this industry. The recent opening of Bangui's first jet airport, an international class hotel in Bangui, and attractive tourist facilities in the game regions should boost the country's tourist trade. The new jet airport, built at a cost of about $6.5 million, makes possible direct jet flights from Europe as well as direct jet service to East Africa.

Foreign trade is principally oriented toward France and the other EEC countries. Total imports in 1966 were estimated at $35.2 million, of which the EEC supplied 79%, with France alone accounting for 65%. U.S. sales totaled $1.5 million, 4% of all imports, of which a large part were financed by U.S. economic assistance programs.

The main imports from the U.S. are used clothing, automotive and transport equipment and parts and mechanical and electrical equipment and parts.

The Central African Republic is a member of the Central African Economic and Customs Union (UDEAC) which also includes Gabon, Cameroon, Congo (Brazzaville) and Chad. While the customs union provides an expanded market of 11 million people and thereby increased opportunities for traders and investors, UDEAC applies a common external tariff (CXT) favoring the EEC and other African countries.

Licenses are also required for all imports—except those from the franc zone. Items which are imported for certain developmental industries are, however, exempted from all or part of the CXT and other import taxes.

The United States became the Central African Republic's second-largest customer in 1966, taking 20% of total exports, almost entirely in diamonds. Small quantities of sawn hardwood were also sold to the U.S. regularly for the first time.

The mining industry is dominated by diamonds, which represent 54% of the country's total export trade. The Government hopes to expand diamond production to 640,000 carats in 1970 (1966 production was 540,600). Substantial but undisclosed amounts of uranium ore have been discovered in the eastern part of the country, and the French Atomic Energy Commission is said to be planning to mine the ore and build an ore reduction plant.

The projected value of industrial output in 1970 is $38.5 million, more than double the 1966 level of $16 million. Local industry consists mainly of a few plants in or near the capital city of Bangui processing agricultural products or producing consumer goods such as textiles, shoes, bicycles, and clothing.

New industrial projects include an ambitious $10 million textile plant to produce finished cotton cloth for both local consumption and export, and a $2.5 million complex, scheduled for completion by mid-1968, which will produce oil and soap, flour, and animal feed.

The Government attaches particular importance to agriculture, which engages over 80% of the population and is a leading source of foreign exchange. Coffee and cotton, the major cash crops, accounted for about 40% of total export earnings of about $31 million in 1966. Commercial agriculture, however, is a small measure of total agricultural activity, since only about 15% of food crops produced reach the cash economy beyond the local market level.

The Plan places primary emphasis on improving agricultural output and commercializing it. Measures under way to achieve these goals include the establishment of regional development offices to advise farmers of modern techniques, extend credit and to assure cooperative marketing of produce.

President Bokassa has also introduced a concerted productivity campaign, "Operation Bokassa," to mobilize development efforts. The Plan's special emphasis is on expanding agricultural production by clearing new acreage through concentrated use of heavy equipment and by inducing peasant farmers to comply more closely with planting and cultivation schedules and practices.

Strong rise in Indian farm output promises record national income; U.S. still top trading partner

Recovery of manufacturing industries is spotty, however; prices of food, consumer items and raw materials remain stable

The first quarter of 1968 has evidenced the beginnings of an upturn in the Indian economy which for two years has been depressed by drought. The upturn is most evident in a sharp improvement in production of foodgrains and other agricultural products, promising a record national income for the Indian fiscal year ending March 31, according to the latest Economic Trends Report submitted by the U.S. Embassy in New Delhi.

The United States should continue to be India's leading trading partner, both in exports and imports, during 1968. The longer-term outlook of U.S. exports to India is likely to be adversely affected to some extent by reduced U.S. aid levels, although for the next six months or so the effect of this reduction will be moderated by the funds left in the pipeline because of the unexpectedly low import level of 1966/67.

In the manufacturing industries which account for nearly 50% of national income, recovery is highly selective.

Production and sales of selected consumer goods have commenced to move upward. Manufacture of bicycles, a key consumer durable, is higher than a year ago. Cotton textiles, expected to increase in response to rising rural income, are however still lagging.

Heavy manufactures and capital goods, particularly dependent for much of their demand on government orders, remain depressed. Chemical, pharmaceutical and many speciality manufacturers continue to report strong demand and anticipate rising sales.

Vehicle output up

Sales and production of commercial vehicles, depressed during the second and third quarters of 1967, showed definite improvement during the fourth quarter; demand for 1968, according to two leading manufacturers, is expected to be substantially better than 1967 and at least equal to 1966.

The level of U.S. exports to India is closely related to the availability of foreign exchange under U.S. and other foreign aid programs. Exports from the United States are expected to continue particularly strong in food and fertilizers, as well as chemicals, pesticides, and specialized machinery.

Maintenance exports and spares of U.S. origin are also likely to be purchased in moderately heavy volume.

No change is expected during 1968 in continuation of the United States as the primary source of foreign private investment capital for India. Negotiations already under way give promise of an increase in U.S. private capital investment during 1968 over recent averages.

New Governmental policies affecting business include the introduction of 'social control' over the operation of commercial banks and general insurance. However, except for some possible liberalization of credit for certain priority sectors of the economy, it appears unlikely that these measures will have any significant short-term effect on general business activity.

Government revenues are still lagging below estimates and, although continuing restraint is anticipated in Government investment expenditures, some further measure of deficit financing appears inescapable.

Governmental conservatism in investment expenditures is likely to prevail, principally affecting capital goods and heavy manufacturing industries which depend heavily on government business. These industries are expected to recover more slowly than others from current depressed levels.

Prices of food are unlikely to recede more than moderately from seasonal highs of comparable periods last year. Most consumer goods are tending to display relative price stability. In a few instances, particularly in heavy manufacturing product lines, manufacturers have recently made significant price reductions.

Prices of key industrial raw materials are either stable or show only slight declines from comparable periods of 1967.

Rural income is moving strongly upward under the impetus of record crops and relatively strong foodgrain prices. Urban income is, to be sure, adjusted periodically to cost of living variations, but this, of course, provides no net improvement in their purchasing power. The overall prospect is for record national income for the Indian fiscal year ending March 31, with agricultural income accounting for more than 50% of the total.

Regional variations in the industrial outlook indicate little prospect for expansion of plant capacity in West Bengal and Bihar, although a gradual return of business optimism in these regions is a noteworthy result of improved political stability and decreased labor unrest.

Favorable and timely winter rainfall throughout most of India following excellent summer monsoons, combined with increasing use of fertilizers and high-yielding grain varieties have assured an excellent harvest. The earlier official estimate of 95 million metric tons foodgrain production appears conservative and should be clearly exceeded. This compares with 89 million tons of foodgrain production in 1964-65 and 72 million

U.S. INVESTMENTS in India should increase moderately. Shown is GT&E's Sylvania & Laxman subsidiary.

and 78 million tons respectively for the two ensuing drought years.

Fibers, oilseeds and other crop yields are also favorable and may be expected to improve the supply position of key industrial raw materials.

Food prices, while varying in accordance with usual seasonal factors, are relatively high and appear unlikely to decline significant. Governmental incentive grain procurement policies are tending to sustain prices and should contribute to continued expansion of foodgrain production. Record rural income is in prospect as a result of the excellent 1967-68 crop year.

Increased consumer purchasing power in rural areas is beginning to stimulate the sale of selected consumer goods and agricultural and other equipment of importance to the rural economy.

While replenishment of private food stocks in rural areas and some diversion of rural income into traditional kinds of family savings is to be expected, rural prosperity is likely to exert a noticeable effect on the economy.

Some major Indian manufacturers have already organized vigorous marketing plans for 1968 expressly directed toward the rural market. A number of these are projecting sharply improved sales and profits, and some new plant capacity in such agricultural equipment as pumps is already under construction.

The pattern of recovery is, however, highly selective. Among industries with expectation of rising sales are chemicals and fertilizers, pharmaceuticals, and certain consumer industries and agricultural equipment producers. The outlook is for continued low output in most capital goods, including heavy machine tools, particularly those dependent on government orders, during most of 1968.

Prices generally firm

The index of wholesale food prices, which stood at an average of 260 near its seasonal high in September, had declined to 239.3 during December, compared with 206.3 for December 1966. The prospect for the remainder of the current fiscal year is, however, for only modest further declines in view of government price incentive policies.

Prices of most industrial raw materials remain relatively stable for the time being. The price index for industrial raw materials stood at 216.4 for the month of October; the average for December was 218.1, compared with 226.6 for December 1966.

Prices of manufactured goods were generally stable. A few reductions of as much as 20% were reported in some heavy manufactures, suggesting a scattering of distress sales in those industries.

The Government has confirmed its intention to defer commencement of the Fourth Five-Year Plan until April 1, 1969. The three-year "Pause in Planning" has to date been characterized by a reduction in Government investment for developmental projects, greater concentration on completing projects already begun, and improving the working of existing undertakings rather than establishing new capital intensive enterprises in the public sector.

Exceptions to this general rule may be observed in such high priority areas as fertilizer and petroleum.

Benefiting private business interests, the Government has continued and expanded the now well-established policy of reducing licensing requirements for the expansion of industrial capacity, and relaxed its price and distribution controls regulating the marketing of a growing number of products. Most recently, licensing requirements affecting the manufacturing of tires and agricultural tractors were relaxed.

This trend gives promise of gradual stimulation to the growing number of industries affected.

Some improvement has occurred in the labor outlook throughout India, with notably improved prospects for labor-management cooperation in West Bengal, which has been a disturbed area during 1967.

Signature of an Indo-U.S. agreement under Public Law 480 for the provision of 3.5 million tons of foodgrains to India during the first-half of 1968 was announced in December. This is important both to U.S. trade and to the Indian economy, considering rising demand and the need to replenish drought-depleted stocks of foodgrains.

During calendar 1967 nearly 1.2 million tons of fertilizer (nutrient content) were imported by India, of which about 50% was supplied by the United States. During calendar 1968, it is estimated that Indian import requirements, despite increasing domestic production of fertilizer, will continue well above the one-million-ton level. Imports from the U.S. will remain dependent primarily on U.S. aid.

Export prospects for industrial raw materials and heavy industrial products are expected to continue relatively strong during the months immediately ahead. Besides chemicals and agricultural commodities, significant exports are expected to include electrical machinery, specialized machine tools, other industrial machinery, and spares and components for a broad range of industries.

While the devaluation of sterling means that in some cases British goods may tend to be favored over other foreign sources in Indian imports, this is expected to have little overall effect on the continuing demand for imports from the United States, which as noted above, is heavily dependent on the level of U.S. assistance.

The trend toward relaxation of governmental controls on Indian domestic industry shows little prospect of any direct effect on foreign investment. Procedures covering foreign investment remain complicated, and processing time for applications is likely to be lengthy.

Guide lines lacking

No firm official guidelines exist for most industries as to the percentage of equity which may be held by foreign investors. However, foreign participation in recently approved industrial enterprises is usually in the minority.

In the key area of fertilizer production, the Government's policy of liberalization, announced in December 1965, with respect to marketing and price autonomy for seven years of fertilizer enterprises, was permitted to expire on Dec. 31 without any definitive statement of policy for the following period.

It appears probable, however, that essentially the same concessions as applied to fertilizer manufacturers receiving industrial licenses prior to Dec. 31 will continue on a case-by-case basis for the time being.

Other long-term industrial and investment policies also remain to be clarified. Recent and pending measures for 'social control' of commercial banking and general insurance have in large part been anticipated by those industries. Many banks have already broadened representation of their boards and are adjusting credit policies in order to discount the effect of pending legislation.

Despite uncertainties and procedural deterrents, however, the immediate prospect is for a continuing moderate increase in the level of recent U.S. private investment in India. Since 1962, U.S. companies have provided more than half of the total foreign private investment capital for India. Various negotiations in process support the probability of an increase in U.S. investment in India in 1968.

Investments in the fertilizer industry are likely to predominate, with significant growth also expected in chemicals, pharmaceuticals, electronics, farm machinery, and products requiring advanced technology. Overall, the Indian investment climate may for the present be described as moderately favorable.

Mauritius needs light industry development, crop diversification

Economy of nation, which becomes independent on March 12, is heavily dependent on sugar; investment incentives offered

Mauritius, a pear-shaped island of 720 square miles which lies 500 miles east of Madagascar in the Indian Ocean, receives its independence from the United Kingdom on Mar. 12.

The outstanding feature of Mauritius's economy is its heavy dependence on sugar. This crop covers 90% of the arable land and accounts for most of the gross national product, which approximated $168 million in 1965.

Although sugar will remain its major source of income for some time, the new nation realizes it must divert land to other crops, such as tea and pineapples, and must develop a light industry base to combat the possible stagnation effects of a rapidly expanding population. Mauritius's population, growing at a rate of 2.8% each year, was estimated at 768,692 in 1966.

Machinery needed

The most promising areas for industrial development are in the establishment of agricultural processing facilities, especially for sugar residue products (bagasse), and in the exploitation of Mauritius's tourist potential, owing to the island's natural beauty and deep sea fishing opportunities. In addition, the aloe fiber industry is growing in importance as a source of sacking material for the agricultural output. These categories present good prospects for sales of specialized industrial machinery and construction equipment.

Past U.S. exports to Mauritius have consisted largely of insecticides, rice, tobacco, and agricultural tractors and related machinery; 1967 exports to Mauritius of $1.6 million represent an increase of $600,000 over the previous year's figure. Sugar and molasses products continue to be the major U.S. imports from Mauritius, comprising most of the $1.2 million import total in 1967, and the $3.2 million 1966 figure.

Although specific investment prospects are contingent on future development planning, the new government would be willing to participate in joint-venture arrangements with foreign businesses through such institutions as the Mauritius Development Bank, which offers 50% financing at 6% interest for periods up to 12 years.

Liberal investment incentives offered to businessmen include complete exemption from, or rebate of, custom duties on machinery and raw materials imports, and deductions from taxable income on expenditures in applied research.

The Income Tax Ordinance provides additional incentives to industry: an initial exemption of 40% on plant and machinery and 20% on industrial buildings, and an annual allowance of 2% on industrial buildings and varying rates for plant and machinery based on individual industry considerations.

Two alternative types of tax holiday are provided for the benefit of such new enterprises as the Government of Mauritius might consider beneficial to the development of the island; eight years, with normal depreciation allowances, but no initial allowance; or five years, with annual allowances and the initial provision applicable after the five-year period.

Mauritius has a plentiful supply of labor. This manpower, combined with the capable business community leadership, could provide a base for increased production of labor intensive items—to be sold in the more industrialized nations as well as in the domestic market.

For additional general economic and commercial information on Mauritius, **write:** Africa Division, Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C. 20230.

Ghana liberalizes policy on repatriation of profits

The Bank of Ghana, the country's central bank, recently liberalized its policy toward the repatriation of profits. Under the new system current and accumulative accounts will be treated separately.

All profits earned and dividends declared since last July 1, will be regarded as current transactions. For these, the Bank will attempt to provide foreign exchange cover immediately.

The repatriation of profits and dividends accumulated before that date will be handled as follows:

- Industrial and agricultural companies will be permitted to transfer in full all profits and dividends accumulated up to June 30, 1964.
- Other companies can repatriate in full all profits and dividends earned up to June 30, 1961, and 50% of those relating to the year ending June 30, 1962.
- Foreign exchange will be provided for other transfers if and when it becomes available.

Priority will be given to manufacturing, mining, and agricultural companies, reflecting the Government's continued determination to favor enterprises that earn or save foreign exchange.

Travel to the U.S. hits all time peak; industry praised

A record 1,485,499 business and pleasure visitors from overseas came to the United States in 1967, according to John W. Black, Director of the Commerce Department's U.S. Travel Service.

"The joint efforts of Government and industry have succeeded in attracting an ever-increasing flow of visitors to our shores," Black says. "Last year we had 322,498 more visitors than in 1966, the greatest increase ever recorded."

Figures just released by the Travel Service show this increase to be 27.7% over 1966. In the years since World War II, only in 1964, with a 30.8% gain, did tourism to the United States from overseas show a more rapid expansion. Since the Travel Service was established in 1961, this international travel has grown by 188%.

In addition to visitors from overseas, 423,764 visitors came from Mexico in 1967, compared with 410,037 in 1966. Mexican figures are for business and pleasure visitors who spend three or more days in the United States.

Figures on Canadian visits are not yet available, but it is estimated that they will exceed seven million.

The United Kingdom continues to be the largest source of overseas visitors to the United States, with 231,492 in 1967—a 17.6% increase over 1966. After the United Kingdom, the largest numbers of visitors come from West Germany and France.

Investment Opportunities pages 34-36

Mandatory controls providing a limited basis for continued U.S. direct investment overseas were initiated by the President on Jan. 1 as part of a broad program to improve the U.S. balance of payments. The Jan. 8 issue of INTERNATIONAL COMMERCE contained a summary explanation of the investment control program and further details were published in subsequent issues, including a story this week on page 22.

To ascertain whether they are subject to investment controls, and to insure their compliance with them, investors should consult the text of the Foreign Direct Investment Regulations, published in the Federal Register for Jan. 3, available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. An office has been set up to administer the program. Address: Director, Office of Foreign Direct Investments, U.S. Department of Commerce, Washington, D.C. 20230.

The Investment Opportunities section continues as an informational service for U.S. investors operating within the scope of the mandatory investment regulations. Opportunities listed in this section include licensing and joint venture proposals.

Firms responding to investment opportunities may wish to inform the Bureau of International Commerce of their action, for follow-up assistance where appropriate. This will insure receipt of additional information as it becomes available.

A (*) following the name of the foreign firm indicates that additional information is available by writing the Department of Commerce (BIC-876), Washington, D.C. 20230.

WTD indicates that a World Trade Directory report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington, D.C. 20230.

For general assistance to firms interested in joint ventures or licensing agreements abroad **telephone:** 202-967-3786 or **write:** Department of Commerce (BIC-878), Washington, D.C. 20230.

Venezuela seeks U.S. investors for industrial zone

A recent report describing the development of an eastern Venezuelan industrial zone should be of particular interest to U.S. firms contemplating investment in Venezuela.

A company for the development of the industrial zone of eastern Venezuela (COMDIOR) was formed in April 1966, by the Venezuelan Development Ministry and the Barcelona Municipal Council.

Representing an investment of approximately $3.1 million, the project is to occupy an area of about 470 acres on the outskirts of Barcelona and will take about five years to complete. The land is being cleared and leveled and essential services including roads, water, sewers, gas, telephone and electricity are being installed. The target date for completion of the first half of the project has been changed from Dec. 1967 to June 1968 but further modifications of the plans may necessitate another postponement.

Among the incentives offered U.S. companies establishing facilities in the zone are buildings at modest cost and payable in installments over 12 years; a ten year municipal tax holiday; and financial assistance.

U.S. firms interested in obtaining full information about the industrial zone of eastern Venezuela should **write:** COMDIOR, Barcelona, Municipal Council, Barcelona, Venezuela.

German firm seeks license to expand product line

A German manufacturer, wholesaler, and exporter of laboratory equipment and paper testing instruments seeks a license to manufacture new types of laboratory equipment for the chemical and petroleum industries, and paper testing instruments for paper mills from U.S. firms.

The German firm's facilities include a factory and glass annealing plant where it employs 100 workers.

Write: Haage, Ernst, Apparatebau und Laboreinrichtungen, 58 Hauptstr., 433 Muelheim/Ruhr, Duesseldorf, Germany. WTD.

Australian firm wants agency, eventual production rights for sewage treatment items

A large manufacturer of engineering and construction equipment seeks to complement its line of filter systems through an exclusive agency agreement with a subsequent license to manufacture. Of particular interest are: trickle filter systems, mechanically cleaned screening equipment, grit removal equipment, sludge and scum scraper mechanism, and activated sludge aeration equipment.

Established in 1932, the company has about 2,000 employees and annual sales are reported to be more than $57.6 million.

Write: Industrial Service Engineers, Ashley Stree, P.O. Box 21, West Footscray, Victoria 3012, Australia. WTD.

Honduran firm wants license to expand present line

A Tegucigalpa manufacturer of steel and aluminum furniture seeks a licensing or joint venture arrangement to produce chairs, desks and tables for office, household and school use. The Honduran firm, which is already making chairs and tables, plans to market its products throughout Central America.

Reportedly, the firm was recently classified as a "Necessary Industry" by the Honduran Government. Under this classification the company has duty free importation and tax exemption privileges for several years.

Write: Estructuras de Hierro, S. de R.L., Apartado Postal 760, Tegucigalpa, D.C., Honduras. WTD.

Italian firm seeks license to make electronic products

Located in Rome, a manufacturer of electric meters seeks licenses to make electromechanical and electronic products for distribution in Italy and the European Common Market. These products should include fractional and subfractional A.C. and D.C. electric motors, timing motors, pulse counters and precision switches.

The Italian firm has about 270 employees and is an affiliate of a large holding company.

Write: SACET, Societa per Azioni Applicazioni e Costruzioni Elettriche e Telefoniche, Via Carlo Buttarelli 6, 0015 Rome, Italy. WTD.

U.S. firms offered opportunities to make, distribute variety of European products

Manufacturers in Austria, France, Germany, the Netherlands interested in licensing agreements for vises, engines, paint spraying equipment

Manufacturers in W. Germany, Austria, The Netherlands, and France are seeking U.S. licensees to produce and distribute their products for the U.S. market. Products offered are hydraulic vises, special buckle for ski boots, item designed to eliminate automobile and airplane crashes due to tire blow-outs, low speed marine and diesel engines, and special paint spraying equipment.

For further information on these opportunities and the name and address of the firm, **write:** Office of International Investment, Code 874, Bureau of International Commerce, Department of Commerce, Washington, D.C. 20230, referring to the appropriate File number assigned each opportunity.

• A German manufacturer and exporter of hydraulic vises desires to license the manufacture in the U.S. of a hydraulically operated machine vise. The vise, of all-steel construction with a wide range of jaw openings, can exert a clamping pressure of up to 10 tons in a matter of seconds. The hydraulic system is totally enclosed within the vise with no external pipes. Advantages of the vise are: simple operation, minimum wear, and long service life; clamping pressure which can be set and limited as required; suitability for irregular and voluminous workpieces.

The firm offering the license is well-established in the EEC and the EFTA markets and exports to many overseas countries. **File 1578**

• An Austrian shoe manufacturer is seeking a U.S. licensee to manufacture a special buckle for ski boots. The U.S. patented buckle is designed to reduce pressure on the foot by inserting a small rubber cushion between the mounting plate and the lever of the buckle. The licensee will be authorized to sell the product in all world markets, including Europe.

The shoe manufacturing firm is willing to sell manufacturing and sales rights for the buckle since it plans to abandon all manufacturing activities in order to concentrate entirely on other business interests. **File 1579**

• A West German firm offers a licensing or investment opportunity to a U.S. manufacturer in the form of a safety tire invention designed to eliminate automobile and airplane crashes due to tire blow-outs.

The invention, only for use in tubeless tires, consists of a revolving ring on plastic bearings inside the tire. When a puncture occurs, the ring supports the tire to prevent skidding and even allowing the vehicle to be driven for long distances at reduced speed.

The firm has a U.S. patent application pending for the invention, which is presently patented in Germany and France. **File 1580**

• A Netherlands firm has expressed an interest in a licensing or joint venture agreement with a U.S. company for the manufacture in the U.S. of low speed marine and diesel engines ranging from 100 BHP to 1600 BHP at 320-375 r.p.m. The firm's engines are used for tugboats, coastal vessels, fishing boats, ferries, inland craft, dredging equipment, and auxiliary and generating set-ups. **File 1581**

• A French firm specializing in portable and industrial paint spraying equipment and accessories is interested in a licensing arrangement with a U.S. manufacturing company.

The firm claims that its equipment has been designed to overcome the problems of fog, water condensation, and traces of oil in the compressed air which causes loss of paint and surface irregularities. These problems have been overcome through the perfection of a turbine-compressor which heats the air through the interaction of air friction and compression within the turbine. The warm air ejects at a constant temperature under low pressure, thus preventing fog, and at the same time pulverizes the paint to assure a stronger adhesion to the surface. The low pressure of the air ejection also prevents condensation from forming, as happens under high pressure conditions, and there are no traces of oil, since none is necessary for the functioning of the turbine.

The firm further states the portable equipment is lightweight so that the painter can easily and comfortably carry the compressor at waist height, held in place by a shoulder strap. The industrial size compressor is mobile or stationary. The spray gun has been designed so as to avoid clogging and facilitate cleaning.

The firm now has licensees or agents in several European and Middle Eastern countries, and has U.S. patents on its equipment. **File 1523-R**

S. African firm wants license for surface active agents

A small but rapidly growing South African firm seeks to manufacture under license surface active agents, such as emulsifiers and industrial detergents plus dry-cleaning chemicals, textile processing oils and similar products.

Established in 1957, the company has had a consistent growth rate of about 15% per annum over the past several years. It has purchased a 2/3 acre site about four miles from the center of Durban and reportedly has sufficient capital available to finance a fairly considerable expansion of its present activities. The firm also has a well developed sales organization in the chemical specialties field.

Write: Chemical Specialties Ltd., 2 Enfield Road, Durban, South Africa. WTD.

Austrian firm interested in glass-fiber products

A very large and diversified Austrian firm seeks to expand the production program of its plastics division by obtaining licenses for the manufacture and distribution of glass-fiber reinforced plastic products.

Write: SGP Simmering-Graz-Pauker A.G., Mariahilferstrasse 32, A-1070 Vienna, Austria.* WTD.

Honduran firm wants license to manufacture dress shirts

A Tegucigalpa manufacturer of sport and work shirts seeks a license to produce dress shirts. The Honduran company would utilize materials furnished by the U.S. licensor.

Write: Fabrica de Camisas Capri, Apartado Postal 24, Tegucigalpa, D.C., Honduras. WTD.

U.S. licenses sought by British companies

Interested in pharmaceuticals, machinery and equipment

Four British industrial firms seek U.S. licenses. Production rights are wanted for the manufacture of power transmission equipment, valves and pipe fittings, pharmaceutical products, and other specialized items which would be complementary to the British firms' present lines.

U.S. firms interested in getting further details about the offers presented below should correspond directly with the British firms.

• A well established British manufacturer of power transmission equipment including pulleys, clutches, gear type flexible couplings, shaft mounted gear boxes, and associated power transmission equipment seeks licensing agreement with U.S. companies for the manufacture of similar products in the United Kingdom. Items of specific interest include couplings and air operated clutches, also variable speed equipment of non-electrical nature.

Write: Frank Wigglesworth and Company Ltd., Clutch Works, Saltaire, Shipley, Yorkshire, England.* WTD.

• A manufacturer and distributor of pharmaceutical products is interested in a licensing and/or cross licensing arrangements with U.S. companies.

The British firm, established in 1935 and currently employing 200, specializes in the production of eye lotion, eye drops, cough syrup, and lozenges.

Write: Optrex Limited, 17 Wadsworth Road, Perivale, Greenford, Middlesex, England. WTD.

• A prominent British manufacturer of pipeline equipment seeks a license to make compatible products. The company currently produces an extensive line of products such as valves, tubes, pressure gauges, thermometers, pumps, unit heaters, radiators, pipe fittings and joint compounds.

Established in 1899, the firm has about 900 employees and reports annual sales approximating $14.4 million.

Write: British Steal Specialities, Ltd., Fleet Street, Leicester, England. WTD.

• A large manufacturer and exporter of automatic conveyors, packaging and wrapping machinery, and concrete roof tiling machinery seeks to produce under license from U.S. firms mechanical handling products for the manufacture of components and machinery for the building and construction industry.

The British firm already holds several U.S. licenses and reportedly has first class engineering facilities with adequately trained personnel. Its sales force and installation engineers cover most major areas of the world.

Write: Adams Powel Equipment Ltd., Team Valley, Gateshead 11, Co. Durham, England. WTD.

Dutch firms want to make fabrics, related items

Three Dutch manufacturers seek licensing agreements to manufacture plastic products, woolen and worsted fabrics, and heating equipment.

U.S. firms interested in getting further details about the offers presented below should correspond directly with the Dutch firms.

• A medium-size, well established manufacturer of illuminated road and advertising signs, acrylic roof lights, and similar plastics products seeks a licensing agreement with a U.S. firm to manufacture plastic products for the building industry. These would include roof covering materials, shower cubicles and partitions.

The Dutch firm also specializes in vacuum forming acrylics, A.B.S., polystyrene, and injection molding up to a shotweight of about 13.5 lbs. per mold. It has a large, modern injection mold press available for this purpose, and the company reports that it can triple its present turnover immediately if the need arises.

Write: Perspex- en Plastic Industrie J. van Schagen N.V., 79 Graafstroomstraat, Rotterdam -8, The Netherlands. WTD.

• A large well established manufacturer of woolen and worsted fabrics (blended and pure) seeks license with U.S. manufacturer of this type of product. Commodities will be distributed throughout the Common Market and other European countries.

The Company enjoys excellent manufacturing and sales facilities, and a good reputation. **Write:** Swagemakers-Caesar N.V., 1 Gasthuisring, or Box 503, Tilburg, The Netherlands. WTD.

• A prominent Dutch manufacturer of fully automatic industrial oil and gas fired heating systems and equipment seeks a license to make related products to complement its present line.

Established in 1932, the firm has about 60 employees and its 1967 sales were estimated at $1.1 million. **Write:** N. V. Stookunie-Delft, 14 Abtswoudseweg, P.O. Box 221, Delft, The Netherlands. WTD.

French firms seek licenses to make laboratory items, prefabricated housing

• A small French manufacturer and distributor of laboratory and sterilization equipment since 1887 wishes to expand its product line through licensing agreements with U.S. firms active in this field.

The French company currently manufactures autoclaves, ovens, and stills for distilled water.

Write: Etablissements R. Testu, 221 rue d'Alesia, Paris 14, France. WTD.

• A manufacturer of wooden prefabricated houses seeks a licensing arrangement to make new types of prefabricated dwellings.

The firm is a subsidiary of a large French international trading company that reports annual sales of more than $76 million.

Write: Societe de Construction de Maisons Industrialisees, 5 rue Bellini, 92-Puteaux, France. Attention Mr. Jean Chavanel. WTD.

German firms want licenses to produce air cylinders, traffic control devices

A large manufacturer of castings and pneumatic control systems seeks a licensing agreement with a U.S. firm to expand its product line.

The German firm wants to produce a more complete line of air cylinders, valves and pneumatic control devices for all power applications, and components for pneumatic logic controls.

Write: Metallwerk Karl Leibfried GmbH, 703 Boeblingen, P.O. Box 75, Stuttgart, Germany. WTD.

• A license to manufacture traffic control flashing devices is sought by a large manufacturer of automotive equipment and accessories.

The German company has annual sales of approximately $38 million and reportedly is one of the leading producers of windshield wipers in Europe.

Write: SWF-Spezialfabrik fuer Autozubehoer Gustav Rau G.m.b.H. of 712 Bietigheim, Ludwigsburger Strasse 17, Germany. WTD.

Mexico announces plans for irrigation project, bidders must register

Second irrigation project will take seven years; bidders must prequalify

The Secretariat of Hydraulic Resources, Government of Mexico, invites companies to register to bid on the construction of 50 irrigation wells in the irrigation district No. 14, Rio Colorado, Valle de Mexicali. The project will be financed by the International Bank of Reconstruction and Development (World Bank).

Details on the project are: 25 wells, depth of 150 to 200 meters, well diameter: 76.2 CM (30"); casing diameter: 55.9 CM (22"); 25 wells, depth of 500 to 600 meters, well diameter 76.2 CM (30") for 300 meters, the remainder 55.9 CM (22"), casing diameter 61.0 CM (24") and 35.6 CM (14") respectively. The project is scheduled to be completed in two years.

Registration deadline is Apr. 1.

Interested companies may contact directly or through agent in Mexico: Jefatura de Irrigacion of Control de Rios, Direccion de Construccion de Grande Irrigacion, Departamento de Contratos, Paseo de La Reforma 69, 10th Floor, Mexico D.F. Payment of 50 pesos (U.S. $4.00) is required for each set of application forms. Correspondence is preferred in Spanish.

Another project announced

In another project, the Secretariat of Hydraulic Resources has announced that it will begin the Rio Colorado irrigation project in the Mexicali and San Luis valleys.

The project, to be completed in seven years, will include the following: Construction and rehabilitation of canals—2,334 Km.; construction and rehabilitation of drains—1,515 Km.; roads—555 Km.; telephone network—467 Km.; leveling of lands—100,000 Ha.; rehabilitation and construction of wells—590 units; construction of homes, buildings and measuring stations—159 units.

Interested firms may apply to the Contract Department of the Direccion de Construccion de Grande Irrigacion located at Paseo de la Reforma No. 69, 10th floor, Mexico 1, D.F., in order to obtain more information about the works mentioned above. If a company desires to register it must pay the sum of $50 in order to obtain the appropriate forms, which when completed should be submitted to the Secretariat in order to provide information concerning the firm's equipment, economic standing, technical responsibility, experience and legal authority to make the contract.

The information provided will be taken into consideration at those meetings which will be held 45 days after the submission date of the offers. The Secretariat of Hydraulic Resources, after taking into consideration the data received, and any additional data or any pertinent explanations which are considered necessary, will make a selection from those companies registered which satisfy the following requirements: 1) that the past accomplishments, technical capacity and experience of the construction companies in this type of work will assure good performance; 2) that they can opportunely provide necessary and sufficient equipment to do the work within the specified time; and 3) that their economic standing will permit them to carry on the work without interruptions or delays. The Secretariat will, at the opportune time, invite the companies which meet the above requirements to participate in the appropriate bids and will indicate when this will be held.

'. . . tune in next week at the same time'

The serial is great for some forms of entertainment.

But not for business correspondence.

If you respond to one of the advertisers in these pages give him the WHOLE story the first time.

- Your unit of sale—whether by the foot or the ton—and what kind of a ton.
- Details of various price lines available if you have such distinctions as "utility", "standards" or "deluxe".
- Your price, including discounts for quantity and for prompt payment.
- Your delivery schedule.
- Your catalogue or other appropriate literature.
- Your payment terms.

Uganda firm to build restaurant

A Kampala firm, which operates a well known local restaurant, is opening a new establishment in about six months which will include a cocktail lounge, terrace bar, restaurant and several rooms for guests.

American restaurant and hotel equipment suppliers are invited to bid on a complete package of furnishings, equipment, supplies and decor for the restaurant, including kitchen, dining room, bar, terrace and 22 double rooms; also, floor coverings, furniture, linen, bathroom furnishings, and decoration.

Interested bidders should write to S. N. Esmail, P.O. Box 185, Kampala, Uganda. A WTD is in preparation.

A floor plan of the new building is available on loan from the Trade Opportunities Staff, BDSA-624, Rm. 4059, U.S. Department of Commerce, Washington, D.C. 20230.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

South Africa seeks bids for pipeline project

60-inch pipe will bring water 50 miles to Cape Province reservoir

The City of Cape Town, South Africa, invites bids for the supply and laying of a 60 in. diameter water pipeline approximately 50 miles long from Voelvlei Reservoir near Gouda to the Tygerberg Reservoir at Parow, Cape Province.

Bid deadline is Mar. 22, 1968.

Firms wishing to bid must apply directly for sets of tender documents to the Quantity Surveyor's office, City Engineers Department, "City Park" Building, Loop Street, Cape Town, and submit a deposit check for R200 (approximately $280) made payable to the City Treasurer, Cape Town. The deposit will be refunded on receipt of a bona fide tender and return of contract documents. Additional sets of contract documents or sets of drawings may be purchased, if available, for the sum of R20 (approximately $28) each, which amount will not be refundable.

One set of tender documents is available, for review only, from the Building Materials and Construction Industries Division, BDSA-564, Room 4014, U.S. Department of Commerce, Washington, D.C. 20230. Telephone: 202-967-3602.

Turkish Government wants bids to purchase fertilizer, aluminum corrugated sheets

● A government agency, Zirai Donatim Genel Murdurlugu, seeks to purchase 12,500 tons diammonium phosphate and 210,000 tons triple superphosphate. Part of the triple superphosphate will be the equivalent rate of normal superphosphate.

The fertilizer should meet the following requirements: moisture not more than 5% and free acid 3%; granulated not smaller than 1 mm but not larger than 5 mm; water soluble P_2O_5 content should not be less than 43%; packed in 50 or 100 kilos in jute, plastic, or kraft paper bags. Specifications are flexible, but interested bidders should be able to propose alternatives with different prices. Bid deadline Mar. 25, Zirai Donatim Genel Murdurlugu, Kecioren Yolu, Ankara. Telephone 202-967-3465.

● The Ministry of Reconstruction and Settlement, Executive Committee on Earthquake Regions, Government of Turkey, requests bids on 770 tons of corrugated aluminum sheets.

Specifications include: P.50 mm. thickness, 3,000-4,000-4,500 mm. length sheets, corrugations 75-76 mm.; centers, 19HW QM height, complete with ridging, chimney flashing, aluminum nails, washers, etc. Partial shipments are to be made in April and May 1968.

Bid deadline is Mar. 20.

Tender documents (in English) are available from the Modern Translation Bureau, Karanfil Sokak 49/2, Ankara, for $5.00 including airmail postage.

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodtiy classification. These numbers refer to the Standard Industrial Classification (SIC) Manual, which is available for $2.50 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

The listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the Comprehensive Export Schedule or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

- indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the Trade Opportunities Staff, BDSA-624, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Sales Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless a desire for an agency agreement is expressed.

011 Field crop farms

GERMANY—Rice, white, unpolished, 25 to 30% broken, in lots of several thousand tons each; corn, yellow, moisture content not over 13.5%, packaged in new gunny bags preferably of 200 lbs. or 50 kgs net, in lots of several thousand tons each. Horst Pukke & Co. (importer, exporter, wholesaler), 28 Bremen, Postfach P.O.B. 1320. WTD 2/68.

195 Small arms

SWITZERLAND—Hunting, sporting firearms. Petitpierre et Grisel SA (importer, retailer), Ave. de la Gare 49, 2000 Neuchatel. WTD 1/68.

201 Meat products

GERMANY—Canned chickens. Requests price quotations c.i.f. Dutch or German ports. Medro-Handelsgesellschaft Engels & Co. GmbH. (retailer, importer, distributor, wholesaler), 20-22 von-Werth-Strasse, 5 Koeln a. Rh. WTD 2/68.

203 Canning, preserving foods

SWEDEN—Canned fruits, vegetables, jams, juices, all kinds. Direct purchase and agency. Reckitt & Colman AB (distributor, importer), Oregrundsgatan 7, Stockholm No. WTD 2/68.

SWITZERLAND—Canned fruits, vegetables, preserves, jams, specialties. Colgro (wholesaler), Thunstrasse 95, 3000 Bern. WTD 2/68.

204 Grain mill products

FRANCE—Long grain rice, converted or precooked, packed in small bags or cardboard containers ranging in net weight from 500 to 800 grams. Price quotations requested. Direct purchase and agency. La Riviere & Co. (S.C. et E.) (commission merchants, sales agents), 50 Cours de Verdun; 33- Bordeaux, Gironde. WTD 6/67.

PORTUGAL—Feather meal, corn gluten meal, feed. Transgraire (Portugal) Lda. (importer, distributor, exporter), Rua do Comercio 8-5°, Lisbon 2. WTD. 4/67.

SWITZERLAND—Rice, cereal preparations. Colgro (wholesaler), Thunstrasse 95, 3000 Bern. WTD 2/68.

209 Food preparations

PORTUGAL—Soybean cakes, meal. Transgraire (Portugal) Lda. (importer, distributor, exporter), Rua do Comercio 8-5°, Lisbon 2. WTD 4/67.

SWEDEN—Coffee, tea, chocolate; all kinds. Direct purchase and agency. Reckitt & Colman AB (distributor, importer), Oregrundsgatan 7, Stockholm No. WTD 2/68.

SWITZERLAND—Honey, almonds, hazelnuts, walnuts, peanut oil. Colgro (wholesaler), Thunstrasse 95, 3000 Bern. WTD 2/68.

232 Men's youth's, boys' furnishings, work clothing

NETHERLANDS—Permanent press men's, boys' trousers, shorts made from polyester and wool, or cotton and rayon fibers. Direct purchase and agency. Requests quotations, samples, information on delivery terms, sizes, quantity per color. N.V. Confectiebedrijf Stoppelman-Pantalux (importing agent, distributor), 16 Weesperzijde, Amsterdam. WTD 2/68.

233 Women's, misses', juniors' outerwear

NETHERLANDS—Permanent press women's, girls' shorts. Direct purchase and agency. Requests quotations, samples, information on delivery terms, sizes, quantity per color. N.V. Confectiebedrijf Stoppelman-Pantalux (importing agent, distributor), 16 Weesperzijde, Amsterdam. WTD 2/68.

242 Sawmills, planing mills

ITALY—Douglas and pitch pine planks, panels. Guerino Balcone & Co. (manufacturer, dealer), Via Sempione 27, 21029 Vergiate, (Varese). WTD 1/68.

243 Millwood, veneer plywood, prefabricated structural wood products

ITALY—Asphalt board. Guerino Balcone & Co. (manufacturer, dealer), Via Sempione 27, 21029 Vergiate (Varese). WTD 1/68.

263 Paperboard mills, products

● **IRAN**—220 tons duplex paperboard, glazed one side only, in sheets. Substance to be 425 $\pm \frac{10}{20}$ grams/m^2. Thickness to be 0.58-0.62 mm. Sheet size for 200 tons to be 50 x 72 cm. Remaining 20 tons to be cut into 50 x 100 cm

sheets. Tender No. 104001, bid deadline May 8.

Copy of tender, specifications and sample available from the Forest Products Division, BDSA, Room 4003, U.S. Department of Commerce, Washington, D.C. 20230. (Telephone: 202-967-3003).

● 800 tons paperboard comprised of 400 tons triplex in bobbins and 400 tons duplex in bobbins. Triplex board to be glazed both sides; be 470 mm wide; have substance of $425 \pm \frac{10}{20}$ grams/m² and thickness of 0.58 to 0.62 mm. Duplex board requirements same as triplex except glazed one side only. Tender No. 103864, bid deadline May 6.

Copy of tender, specifications and sample available from the Forest Products Division, BDSA, Room 4003, U.S. Department of Commerce, Washington, D.C. 20230. (Telephone: 202-967-3003).

264 Converted paper products

SWITZERLAND—Paper and non-woven underwear, baby slips, paper novelties. Mrs. Barbara Bollag (mailing business), 56 rue Charriere, 2300 La Chaux-de-Fonds. WTD in preparation.

Paper hats for cooks. Fridolin Pfandler (importer, distributor), 1 chemin Maillefer, 1018 Lausanne. WTD 1/68.

Miscellaneous office supplies. Baumann-Jeanneret SA, (importer, retailer), 8 Arquebuse, 1211 Geneva 11. WTD 1/68.

275 Commercial printing

PAKISTAN—Color picture post cards (Pakistan views). National Services Ltd. (importing distributor), 4 Queens Road, Lahore. WTD in preparation.

281 Industrial chemicals

● **BURMA**—Chlorine gas, 150 iron cylinders, 150 lbs. each; tri-sodium phosphate (anhydrous), four tons, in barrels; copper sulfate, two tons, in bags or barrels; sodium sulfite (anhydrous), two tons, in barrels; caustic soda (sodium hydroxide—flakes), two tons, in barrels; fluorocarbon gas, refrigerant F-12, 4-100 kg. iron cylinders; and refrigerant F-22, 5-100 kg. iron cylinders.

Tender No. 3/T/CHEM-ESB/67-68. Bid deadline Mar. 22. Controller of Stores, Central Stores Department, Electricity Supply Board, Ahlone/Strand Road, Rangoon. ★ (Telephone 202-967-3465).

SWITZERLAND—Polyhydric alcohols, plasticizers, synthetic organic, inorganic pigments, rubber processing chemicals, blowing agents for plastics, rubber, organic solvents. Direct purchase and agency. Dr. Georg Huber (importer, indent agent), Stockerstrasse 11, P.O.B. 8027 Zuerich. WTD 2/68.

282 Synthetic materials

GREECE—Acrylic fibers for knitting purposes. Helen Deluca (manufacturer, exporter), 12-14 Metropoleos St., Athens. WTD 2/68.

SWITZERLAND—Synthetic resins, synthetic, cyclo rubber. Direct purchase and agency. Dr. Georg Huber (importer, indent agent), Stockerstrasse 11, P.O.B. 8027 Zuerich. WTD 2/68.

284 Soap, detergents, perfumes, cosmetics

MOROCCO—All kinds of beauty preparations including cold creams, skin preparations, lipstick, nail polish, talcum, eau de cologne, toilet water, perfumes. Direct purchase and agency. Quotations c.i.f. Casablanca. Maroc-Représentation (importer agent), 103, Boulevard de la Resistance, Casablanca. WTD 2/68.

SWITZERLAND—Softeners, wetting agents, emulsifiers. Direct purchase and agency. Dr. Georg Huber (importer, indent agent), Stockerstrasse 11, P.O.B. 8027 Zuerich. WTD 2/68.

285 Paints, varnishes, lacquers, enamels

SWITZERLAND—Thinners, dilutants, antioxidants, lacquer bases and dopes, bentonite gellants, stabilizers, isolators, binders, fillers, coating materials, other auxiliaries for paint, varnish industry; paper stains. Dr. Georg Huber (importer, indent agent), Stockerstrasse 11, P.O.B. 8027 Zuerich. WTD 2/68.

289 Chemical products

SWITZERLAND—Metal treating compounds, lubricants. Walo von Muhlenen SA (importer, distributor), route Henri Dunant 7, 1700 Fribourg. WTD 2/68.

295 Paving, roofing materials

● **BURMA**—The Government of Burma invites tenders for the supply of 300 long tons of mastic asphalt for roofing, flooring, waterproofing, expansion joints, damp proofing and other industrial purposes. Bid deadline Mar. 23.

Bid documents, which include specifications, are available from Building Materials and Construction Industries Division, BDSA, — 564, Room 4014, U.S. Department of Commerce, Washington D.C. 20230. (Telephone 202-967-3602).

● The Government of Burma seeks bids for the supply of 500 rolls of bituminous roofing felt, 3 ply, 36″ width in rolls of 72 ft. long. Bid deadline Mar. 25.

Bid forms are available from Building Materials and Construction Industries Division, BDSA, — 564, Room 4014, U.S. Department of Commerce, Washington, D.C. 20230. (Telephone 202-967-3602).

327 Concrete, gypsum, plaster products

SWITZERLAND—Building materials, novelties, no bulk materials. Direct purchase and agency. Rusterholz & Spreyermann (importer, distributor), Elektro- und Bauartikel, Meilenbach, 8804 Au ZH. WTD 2/68.

342 Cutlery, hand tools, general hardware

SWITZERLAND—Builders' hardware; contractors' hand tools. Direct purchase and agency. Rusterholz & Spreyermann (importer, distributor), Elektro und Bauartikel, Meilenbach, 8804 Au ZH. WTD 2/68.

344 Fabricated structural metal products

● **AUSTRALIA**—Proposal for supplying two sets of feed-water heating plant and steam jet air extraction equipment and associated plant, for use with a 350,000 kw steam turbo-generator. Tender No. 67/153, bid deadline extended from Mar. 18 to Apr. 8.

Each tenderer must submit his bid on the printed form properly completed with all schedules completely filled in.

Tenders are available, from the Power and Electrical Equipment Division (for review only, not loan), Room 4124, U.S. Department of Commerce, Washington, D.C. 20230.

Tender may be obtained from the Purchasing Branch, 4th Floor, State Electricity Commission of Victoria, Monash House, 15 William St., Melbourne 3000.

349 Fabricated metal products

UGANDA—Novelties. Clyde Corp. (importer, indent agent), P.O. Box 4946, Kampala. WTD 2/68.

351 Engines, turbines

SWITZERLAND—Small gasoline engines, outboard motors. Direct purchase and agency. Erwin Ineichen (importer, distributor), Garage, Deucherstrasse 34, 8570 Weinfelden. WTD 2/68.

352 Farm machinery

SOUTH AFRICA—Farm machinery, equipment. Direct purchase and agency. H. M. Leers & Co. (Pty.) Ltd. (importing distributor), 41 Berkley Road, Maitland, Cape Province. WTD in preparation.

354 Metalworking machinery

BRAZIL—Metalworking saws, presses; drilling, cutting, screw and electroforming machines, many types, sizes. Requests price quotations, c.i.f., f.o.b., descriptive literature. Requests replies in Portuguese, Italian. Indústrias Químicas Labôr Ltda. (manufacturer), Rua Barão de Cotegipe 70, Salvador, Bahia. WTD in preparation.

SWITZERLAND—Power-driven handtools, pneumatic drills, screwdrivers and nut-runners, percussion tools, impact wrenches, grinders, polishers and sanders, acetylene welding and cutting apparatus, automotive maintenance equipment, metal cutting type lathes for workshops, garages. Direct purchase and agency. Erwin Ineichen (importer, distributor), Garage, Deucherstrasse 34, 8570 Weinfelden. WTD 2/68.

Power driven handtools, electric buffing machines, electric and pneumatic portable drills, pneumatic guns, portable electric and pneumatic hammers, woodworking tools, hand held saws. Direct purchase and agency. Rusterholz & Spreyermann (importer, distributor), Elektro- und Bauartikel, Meilenbach, 8804 Au ZH. WTD 2/68.

355 Special industry machinery

AFGHANISTAN—Complete cotton textile plant with annual capacity of 15 million meters finished cotton cloth.

Complete cotton-seed oil extraction factory with capacity of 25 tons of cotton seed per day; all equipment must be 220 volt. Herat Cotton Export and Industrial Co. (manufacturer, importer), Serai Badghesi, Herat. WTD 2/68.

BRAZIL—Machinery, equipment to work on marble, granite such as presses to produce tiles (25 cm x 25 cm, 33 cm x 33 cm, 40 cm

x 40 cm, and 50 cm x 50 cm); automatic diamond saws, polishing machines. Requests price quotations f.o.b. U.S. ports or c.i.f. Salvador, descriptive literature. Requests replies in Portuguese or Italian. ICESA—Industria Comercio e Empreendimentos Ltda. (manufacturer), Rua Barao de Cotegipe 70, Salvador, Bahia. WTD in preparation.

HONG KONG—Machine to engrave trade mark on optical lenses. Universal Mercantile Co., Ltd. (importer, agent, wholesaler, retailer, exporter), P.O. Box 2083. Cable: Precision. WTD 8/67.

PORTUGAL—Paper napkin folding machines for zig-zag folded packs. Direct purchase and agency. Representacoes Alcota, S.A.R.L. (importer, sales agent), Rua do Corpo Canto 6-2°, Lisbon. WTD 6/67.

SWITZERLAND—Chemical manufacturing industries machinery. Alpha AG (manufacturer, distributor), Schloss-Strasse 15, 2560 Nidau. WTD 2/68.

Used plastic forming dies, all types. Eliplast AG (manufacturer, distributor), CH-3186 Dudingen. WTD in preparation.

Portable chain saws. Direct purchase and agency. Erwin Ineichen (importer, distributor), Garage, Deucherstrasse 34, 8570 Weinfelden. WTD 2/68.

YUGOSLAVIA—Complete fully automatic line for lithography and varnishing of tin plates. List of specifications available from Trade Opportunities Staff, BDSA-624, Rm. 5059, U.S. Department of Commerce, Washington, D.C. 20230. Mr. Matejic, Rudnap, Export-Import (importer), Belgrade/Vuka Karadizica 6. WTD 11/67.

356 General industrial machinery

● **INDIA**—Supply of two self-priming high pressure pumps for handling cutting oil; capacity approximately 250 litres per minute at 30 kgm. per sq. cms. at maximum speed of 2900 rotations per minute.

Tender No. AEE/P/CAP/12830. Bid deadline Apr. 8. Head, Purchase and Stores Division, Bhabha Atomic Research Centre (Purchase Div.), Mohatta Bldg., 3rd Floor, Palton Road, Bombay 1.★ (Telephone: 202-967-5589).

● **SUDAN**—Supply of one Motor Driven Panel Planing and Thicknessing machine. Tender No. 3884. Bid deadline Apr. 2.

Copies of the tender are available from the Office of Controller of Stores, Sudan Railways, P.O. Box 65, Atbara or from the Office of the Storekeeper i/c., Catering Stores, Khartoum.★ (Telephone: 202-967-5589).

356 General industrial machinery

SWITZERLAND—Machinery, equipment for water treatment, purification. Alpha AG (manufacturer, distributor), Schloss-Strasse 15, 2560 Nidau. WTD 2/68.

Accessory industrial equipment for oil and metal refineries, chemical plants, power stations, engineering works. Direct purchase and agency. Viktor Dahm (importer, distributor), Consulting Engineers, Nordstrasse 19, 8006 Zurich. WTD 1/68.

357 Office, computing, accounting machines

BRAZIL—Check protectors; hand, electrical and electronic accounting and adding machines; card and roll punching machines; reels and tapes; punched, magnetic tape and micro-film splicing, adapting and correction kits; continuous form cutting machines (hand and electrical); any attachments, instruments, devices for operation, maintenance of electronic computer systems, specialized electronic office machines. Direct purchase and agency. J. Pantoja- Equipamentos e Servicos (representative, importer), Rua Primeiro de Marco 39, 8° andar, Rio de Janeiro, ZC-00, Estado da Guanabara. WTD 2/68.

SWITZERLAND—Accounting machines, desk models; office machines, devices. Agency and direct purchase. Baumann-Jeanneret SA (importer, retailer), 8 Arquebuse, 1211 Geneva 11. WTD 1/68.

Time stamps, automatic attendance time recorders, job cost time recorders. Direct purchase and agency. Portmann & Co. (importer, wholesaler, manufacturers' agent), Reinacherstrasse 30, 4000 Basel. WTD in preparation.

358 Service industry machines

AFGHANISTAN—Complete ice-making factory with capacity of 10 tons ice per day. Herat Cotton Export and Industrial Co. (manufacturer, importer), Serai Badgeesi, Herat. WTD 2/68.

JAPAN—Food transport refrigeration units such as freezer units used on trucks; air conditioning units for passenger cars, trucks, trailers; construction machinery such as bulldozers, power shovels, mobile cranes. Direct purchase and agency. Toba Denki K.K. (retailer, distributor, importer), 14 Minamihamamachi 2-chome, Oyodo-ku, Osaka. WTD 10/67.

THAILAND—Two package ice making plants, complete ice making lines, 50 tons per day capacity each; 220 volts, 50 cycle. Quotations for cash, five-year financing with bank guarantee. Installation services, technical assistance required. Sin Hong Swee Co., Ltd. (importer, distributor), 17 Thalang Road, Phuket. WTD 2/68.

Two 180-ton frozen storage plants, primarily for freezing fish, storage of ice. Package proposal for ready-to-operate plant desired. Quotations for cash, 5-year financing with bank guarantee. Sin Hong Swee Co., Ltd. (importer, distributor), 17 Thalang Road, Phuket. WTD 2/68.

361 Electric transmission, distribution equipment

SWITZERLAND—Switchgears, switchgear assemblies, circuit breakers, all types. Alpha AG (manufacturer, distributor), Schloss-Strasse 15, 2560 Nidau. WTD 2/68.

362 Electrical industrial apparatus

GERMANY—Controls for electrical equipment; electronic or motor driven timing relays. Direct purchase and agency. Art, Antriebs- und Regeltechnik GmbH (manufacturer, exporter), 6832 Hockenheim-Talhaus. WTD 12/67.

363 Household appliances

MOROCCO—Electric household appliances including refrigerators over 8 cu. ft.; gas, electric cooking equipment. Direct purchase and agency. Quotations c.i.f. Casablanca. Generale Marocaine du Commerce (importer), 22, rue Colbert, Casablanca. WTD 2/68.

364 Electric lighting, wiring equipment

MOROCCO—Automobile lighting equipment, accessories. Direct purchase and agency. Requests catalogs, quotations c.i.f. Casablanca. Établissements Lafayette (importer, agent), angle rues Raymond-Monod et Lieutenant Merle, Casablanca. WTD 2/68.

SWITZERLAND—Electric materials for use in building trade. Direct purchase and agency. Rusterholz & Spreyermann (importer, distributor), Elektro- und Bauartikel, Meilenbach, 8804 Au ZH. WTD 2/68.

365 Radio, television receiving sets

GERMANY—Hi-Fi stereo equipment, tape recorders, microphones, loudspeakers, as well as components like transistors, capacitors, resistors, amplifiers. Hanns Schaefer (importer, sales agent), Hagenstr. 26, Hannover. WTD 7/67.

MOROCCO—Radio receiving sets including portable, transistorized, tape recorders, record players. Direct purchase and agency. Quotations c.i.f. Casablanca. Generale Marocaine du Commerce (importer), 22, rue Colbert, Casablanca. WTD 2/68.

366 Communication equipment

ENGLAND—Radio communication receivers for amateur use. P. C. Radio Ltd. (importer),

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Area Code 505 Tel. 247-0311.

ANCHORAGE, ALASKA, 99501, 306 Loussac-Sogn Building. Area Code 907 Tel. 272-6331.

ATLANTA, GA., 30303, 4th Floor Home Savings Building, 75 Forsyth St. N.W. Area Code 404 Tel. 526-6000.

BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301 Tel. 962-3560.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 South 20th St. Area Code 205 Tel. 325-3327.

BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617 Tel. 223-2312.

BUFFALO, N.Y., 14203, 504 Federal Building, 117 Ellicott St. Area Code 716 Tel. 842-3208.

CHARLESTON, S.C., 29403, Federal Building—Suite 631, 334 Meeting St. Area Code 803 Tel. 577-4171.

CHARLESTON, W.VA., 25301, 3002 New Federal Office Building, 500 Quarrier St. Area Code 304 Tel. 343-6196.

CHEYENNE, WYO., 82001, 6022 Federal Building, 2120 Capitol Ave. Code 307 Tel. 634-3920.

CHICAGO, ILL., 60604, 1486 New Federal Building, 219 South Dearborn St. Area Code 312 Tel. 353-4400.

CINCINNATI, OHIO, 45202, 8028 Federal Office Building, 550 Main St. Area Code 513 Tel. 684-2944.

CLEVELAND, OHIO, 44101, 4th Floor, Federal Reserve Bank Building, East 6th St. and Superior Ave. Area Code 216 Tel. 522-4750.

DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Area Code 214 Tel. 749-3287.

DENVER, COLO., 80202, 16419 Federal Building, 20th and Stout Sts. Area Code 303 Tel. 297-3246.

DES MOINES, IOWA, 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515 Tel. 284-4222.

DETROIT, MICH., 48226, 445 Federal Building. Area Code 313 Tel. 226-6088.

GREENSBORO, N.C., 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919 Tel. 275-9111.

HARTFORD, CONN., 06103, 18 Asylum St. Area Code 203 Tel. 244-3530.

HONOLULU, HAWAII, 96813, 202 International Savings Building, 1022 Bethel St. Tel. 588-977.

HOUSTON, TEX., 77002, 5102 Federal Building, 515 Rusk Ave. Area Code 713 Tel. 228-0611.

JACKSONVILLE, FLA., 32202, P.O. Box 35087, 400 West Bay St. Area Code 904 Tel. 791-2796.

KANSAS CITY, MO., 64106, Room 2011, 911 Walnut St. Area Code 816 Tel. 374-3141.

LOS ANGELES, CALIF., 90015, Room 450, Western Pacific Building, 1031 South Broadway. Area Code 213 Tel. 688-2833.

MEMPHIS, TENN., 38103, 343 Federal Office Building, 167 North Main St. Area Code 901 Tel. 534-3214.

MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305 Tel. 350-5267.

MILWAUKEE, WIS., 53203, Straus Building, 238 West Wisconsin Ave. Area Code 414 Tel. 272-8600.

MINNEAPOLIS, MINN., 55401, 306 Federal Building, 110 South Fourth St. Area Code 612 Tel. 334-2131.

NEW ORLEANS, LA., 70130, 909 Federal Office Building, South, 610 South St. Area Code 504 Tel. 527-6546.

NEW YORK, N.Y., 10001, 61st Floor, Empire State Building, 350 Fifth Ave. Area Code 212 Tel. 563-3277.

PHILADELPHIA, PA., 19107, Jefferson Building, 1015 Chestnut St. Area Code 215 Tel. 597-2850.

PHOENIX, ARIZ., 85025, 5413 New Federal Building, 230 North First Ave. Area Code 602 Tel. 261-3285.

PITTSBURGH, PA., 15222, 2201 Federal Building, 1000 Liberty Ave. Area Code 412 Tel. 644-2850.

PORTLAND, OREG., 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503 Tel. 226-3361.

RENO, NEV., 89502, 2028 Federal Building, 300 Booth St. Area Code 702 Tel. 784-5203.

RICHMOND, VA., 23240, 2105 Federal Building, 400 North 8th St. Area Code 703 Tel. 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Building, 1520 Market St. Area Code 314 Tel. 622-4243.

SALT LAKE CITY, UTAH, 84111, 3235 Federal Building, 125 South State St. Area Code 801 Tel. 524-5116.

SAN FRANCISCO, CALIF., 94102, Federal Building, Box 36013, 450 Golden Gate Ave. Area Code 415 Tel. 556-5864.

SAN JUAN, P.R., 00902, Room 100, Post Office Bldg. Phone 723-4640.

SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Building, 125-29 Bull St. Area Code 912 Tel. 233-4321.

SEATTLE, WASH., 98104, 809 Federal Office Building, 909 First Ave. Area Code 206 Tel. 583-5615.

170 Goldhawk Road, Shepherds Bush, London, W.12. WTD 2/68.

SWITZERLAND—Complete paging systems; encoders, base station transmitters, signal or signal and voice pocket receivers. Direct purchase and agency. Esag Elektro-Schwachstromanlagen AG (importer, distributor), Universitaetsstrasse 27, 8006 Zuerich. WTD 2/68.

369 Electrical machinery, equipment, supplies

MOROCCO—Electrical equipment, ignition apparatus for internal combustion engines. Requests catalogs, quotations c.i.f. Casablanca. Direct purchase and agency. Etablissements Lafayette (importer, agent), Angle rues Raymond-Monod et Lieutenant Merle, Casablanca. WTD 2/68.

371 Motor vehicles, motor vehicle equipment

MOROCCO—Complete range of engine and chassis spare parts for all types of cars, trucks including Dodge, Reo and Willys Jeep (military type); also complete range of accessories such as wheels discs, chromed rods, repair kits for automotive diesel pumps, injectors. Direct purchase and agency. Requests catalogs, quotations c.i.f. Casablanca. Etablissements Lafayette (importer, agent), Angle rues Raymond-Monod & Lieutenant Merle, Casablanca. WTD 2/68.

373 Ship building, repairing

TAIWAN—Over-aged vessels for scrapping. Direct purchase and agency. Ta Yu Trading Co. (importer), 1-3 Lane 10, Section 1, Chang An East Road, Taipei. WTD in preparation.

382 Instruments for measuring, controlling, indicating physical characteristics

GERMANY—Sophisticated measuring instruments, equipment for chemical, related industries. Direct purchase and agency. Katalin E. Kubelik (sales agent, importer), 75 Karlsruhe 41, Postfach 38. WTD 2/68.

384 Surgical, medical, dental instruments

● **PANAMA**—Supply and installation of medical and hospital equipment for the medical center Cecilia A. Castillero in Chitre, Panama. Bid deadline Mar. 18. Terms and specifications in Spanish. Value of equipment involved estimated at between $300,000 and $350,000.

Licitation subject to fiscal code which limits bids to Panamanian firms or Panamanian firms acting in association with foreign firms. Government of Panama, Ministry of Public Health, Panama City, Panama.★ (Telephone: 202-967-2939).

386 Photographic equipment

SWITZERLAND—Electric photocopy equipment. Agency and direct purchase. Baumann-Jeanneret SA (importer, retailer), 8 Arquebuse, 1211 Geneva 11. WTD 1/68.

394 Toys, amusement, sporting goods

NETHERLANDS—Swimming pool equipment such as cabins and wardrobe equipment, swimming belts, floating boards, other teaching aids, floating rope, rope keepers, clamps, hooks, and wall anchors, hollow bright-colored plastic floats, numbered double-colored water polo caps, hair dryers. Direct purchase and exclusive representation. Descriptive literature, price lists requested. J. R. Metzlar N.V. (importer, sales agent, wholesaler), 19 Schoolstraat, Blaricum. WTD 2/68.

SWITZERLAND—Hunters' articles. Petitpierre et Grisel SA (importer, retailer), Ave. de la Gare 49, 2000 Neuchatel. WTD 1/68.

395 Pens, pencils, office, artists materials

PAKISTAN—Ball point pens. National Services Ltd. (importing distributor), 4 Queens Road, Lahore. WTD in preparation.

396 Costume jewelry, novelties, buttons, notions

HONG KONG—Slide fasteners. Associated Trading and Development Co. (H.K.) (importer, wholesaler, agent, exporter), P.O. Box 16072. WTD 2/67. Cable: Asobranch.

399 Manufacturing industries

MOROCCO—Beauty shop, hair dressing salon accessories such as bobby pins, hair curlers and rollers, hair spray, hair nets, hair brushes, combs, tweezers, nail files (curling), iron for straightening hair, manicure accessories. Direct purchase and agency. Quotations c.i.f. Casablanca. Maroc-Representation (importer, agent), 103, Boulevard de la Resistance, Casablanca. WTD 2/68.

SOUTH AFRICA—All types of quality novelties, Christmas "give-aways", other personalized advertising media for sale to large commercial concerns. Intertrado (Pty.) Ltd. (importing distributor), P.O. Box 480, Cape Town, Cape Province. WTD 2/68.

SWITZERLAND—Wigs, wiglets; hair brushes. Direct purchase and agency. "Sigwin" Winterstein & Co., Inh. Ch. Winterstein (importer, wholesaler), Habshagstrasse 13, 4153 Reinach, Baselland. WTD 6/67.

505 Farm products—raw materials

GERMANY—Rice, white unpolished, 25 to 30% broken, in lots of several thousand tons each; corn, yellow, moisture content not over 13.5%, packaged in new gunny bags preferably of 200 lbs. or 50 kgs. net, in lots of several thousand tons each. Horst Pukke Co. (importer, exporter, wholesaler), 28 Bremen, Postfach, P.O.B. 1320. WTD 2/68.

HONG KONG—Alligator, turtle skins; pickled or wetsalted. Diamond Ko & Co. (importer, wholesaler, manufacturer, exporter), P.O. Box 360, Kowloon. Cable: Cokoyuen. WTD in preparation.

509 Wholesalers

ITALY—Waste paper. Cartiere Riunite (manufacturer), Soave Mantovano (Mantova). WTD 11/67.

TAIWAN—Iron and steel scrap such as axles, new cutting plate, billet ends, mill return scrap, tank plate. Ta Yu Trading Co. (importer), 1-3 Lane 10, Section 1, Chang An East Road, Taipei. WTD in preparation.

599 Retail stores

ITALY—Philatelists materials. Tiesse, s.r.l. (importer), Via Varanini 29/B, 20127 Milano. WTD in preparation.

781 Motion picture production, distribution

GUATEMALA—Educational motion pictures; slide films; other allied material, suitable for audio visual program production. Direct purchase and agency. Requests replies in Spanish. Editorial Escolor Piedra Santa (publishing house, merchant), 5a. Calle 7-55, Zona 1, Guatemala City. WTD 2/68.

Turkey sets bid deadline for broadcast equipment

The General Directorate of Turkish Radio and Television Association, Mithatpasa Caddesi, Ankara, has issued Tenders for the supply of broadcast equipment for radio stations at Erzurum and Izmir.

Bid deadline is Apr. 8.

Bid should offer one 100 kw. transmitter operating on 245 KHz and one 100 kw transmitter operating on 971 KHz. Bids should also include, line and program input equipment, control consoles, paralleling and cooling equipment, power supplies, and VHF or UHF program link equipment and relay stations.

Copies of tender announcement and specifications are available only from the Modern Translation Company, Karanfil Sokak 49/2, Ankara, Turkey at a cost of $12.50 each including airmail charges.

Future construction summary available

A quarterly summary of future construction projects abroad, contract award stories and significant foreign government tenders published in International Commerce and Commerce Business Daily during October, November and December is available to U.S. firms from the Department of Commerce, BDSA-624, Trade Opportunities Staff, Washington, D.C. 20230. A pre-addressed mailing label should be included with the request to facilitate processing and mailing.

The summary, which may also be reviewed at any of the 42 Department of Commerce Field Offices, alphabetically lists project summaries by country in five distinct classes: airport, seaport, railroad and highway projects; hydro and thermal electric plant and irrigation projects; hospital, hotel and housing projects; industrial plant projects; and comprehensive development projects. Whenever possible, names of contractors and responsible agencies are cited, as well as original publication dates.

Sales Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

147 Chemical, fertilizer mineral mining

ENGLAND—All types of industrial minerals, excluding metallurgical and fuel. Clifford Christopherson and Co. Ltd. (manufacturer, sales agent, distributor), 1 Knightsbridge Green, London, S.W.1. WTD 8/67.

226 Dyeing, finishing textiles

NORWAY—Nylon and dacron woven textiles, water-repellent, width 54-60 in. for manufacture of sports clothing, leisure wear. J. H. Worm-Muller & Co. (manufacturers' agent), Bogstadveien 25, Oslo 3. WTD 10/66.

264 Converted paper, paperboard products

IRAN—Wallpapers, embossed plastic, made on textile backing. S. Mohammad Alavi (Yazdi) (importer), 65 Iranshahr Ave., Tehran. WTD in preparation.

ITALY—Stationery. Tiesse, S.r.l., (importer), Via Varanini 29/B, 20127 Milano. WTD in preparation.

284 Perfumes, cosmetics

IVORY COAST—Complete line of cosmetics with emphasis on negro cosmetics. Requests replies in French. M. Edouard Ebegnitchie, Société Africaine de Représentation et de Commerce (importer), Sarepco, B.P. 21110, Abidjan. WTD in preparation.

285 Paints, varnishes, lacquers, enamels

ITALY—Marine paints. AF.CO.RA.DE. (Affari Commerciali Rappresentanze e Depositi) (sales agent, wholesaler, importer), 24 Via C. Giachery, 90142 Palermo. WTD 2/68.

289 Chemical products

ITALY—Essential oils, aromatic chemicals. Curt Georgi Imes S.p.A. (manufacturer), Viale F.lli. Casiraghi 508, 20099 Sesto S. Giovanni (Milano). WTD 12/67.

NETHERLANDS—Gelatin, pectin, animal, vegetable glues, other adhesives. Exclusive representation. Mazo N.V. (manufacturer, importer, distributor), 53 Zeeburgerpad, Amsterdam-4. WTD 10/67.

342 Cutlery, hand tools, general hardware

CANADA—Marine hardware, fittings. Other hardware lines considered if adaptable to present operations. Robert and James Easton (franchise agent), 1502 Stoneybrook Drive, London, Ontario. WTD 2/68.

ITALY—Marine hardware. AF.CO.RA.DE. (Affari Commerciali Rappresentanze e Depositi) (sales agent, wholesaler, importer), 24 Via C. Giachery, 90142 Palermo. WTD 2/68.

351 Engines, turbines

ITALY—Inboard motors from 6 to 500 hp. for fishing craft. AF.CO.RA.DE. (Affari Commerciali Rappresentanze e Depositi) (sales agent, wholesaler, importer), 24 Via C. Giachery, 90142 Palermo. WTD 2/68.

353 Construction, mining, materials handling machinery, equipment

FRANCE—Tractors, 200 hp., Diesel-engines, rubber-tired vehicles, suitable for use in western Africa by lumber, logging industry. Descriptive literature requested. Delmas & Cie. (J.A.) (importer, dealer), 17 Rue Vauban; 33- Bordeaux, Gironde. WTD 5/67.

Public works and construction machinery, equipment including heavy-duty mobile cranes; shovel-loaders; concrete grouting, gunning equipment; road maintenance, repair machinery; road spreaders, finishers; power-shovels; related lines. Requests replies in French. S.P.O.M.E. (Société "Parisienne d'Outillage et Matériel d'Entreprise") (dealer), 38 Rue Roquelaine; 31- Toulouse, Haute-Garonne. WTD 2/68.

355 Special industry machinery

FRANCE—Cryogenic equipment and machinery, industrial, modern types, for utilization by specialized plants, including advanced processing units, pressure pumps, gate valves, other accessories. Petromeca (manufacturer), Zone Industrielle de Marclan; 31 Muret, Haute-Garonne. WTD 2/68.

356 General industrial machinery

ITALY—Marine gear transmission. AF.CO.RA.DE. (Affari Commerciali Rappresentanze e Depositi) (sales agent, wholesaler, importer), 24 Via C. Giachery, 90142 Palermo. WTD 2/68.

358 Service industry machines

ITALY—Commercial dish washing machines, ovens. International Business Relations' Organization—V. & F. Mattia (agent), Via Ettore Romagnoli 1, 20146 Milan. WTD 1/67.

359 Machinery

ITALY—Engine packings, jointings. AF.CO.RA.DE. (Affari Commerciali Rappresentanze e Depositi) (sales agent, wholesaler, importer), 24 Via C. Giachery, 90142 Palermo. WTD 2/68.

379 Transportation equipment

CANADA—Mobile home trailer hitches, couplings, fittings. Robert and James Easton (franchise agent), 1502 Stoneybrook Drive, London, Ontario. WTD 2/68.

381 Engineering, laboratory, scientific, research instruments

BRAZIL—Instruments for clinical, chemical, soil, seed testings; also know how. De Leo & Cia. Ltda. (importer), rua dos Andradas 1737, Porto Alegre, Rio Grande do Sul. WTD in preparation.

ITALY—Refrigerated centrifuges. Bracco—Industria Chimica (manufacturer), Via E. Folli 50, 20134 Milan. WTD 9/67.

382 Instruments for measuring, controlling, indicating physical characteristics

ITALY—Ultra thermostats. Bracco—Industria Chimica (manufacturer), Via E. Folli 50, 20134 Milan. WTD 9/67.

383 Optical instruments, lenses

ITALY—Automatic blood corpuscles counters, chromatography apparatus, spectrophotometers, flame photometers, electrophoresis apparatus, automatic apparatus and equipment for clinical analysis, for physiology, pharmacology. Bracco, Industria Chimica (manufacturer), Via E. Folli 50, 20134 Milan. WTD 9/67.

631 Life insurance

BRITISH HONDURAS—Wishes to represent U.S. company which engages in underwriting fire, hurricane, marine, travelling besides other general risks. Nationals Ltd. (insurance carrier), 56 Queen St., Belize City. (P.O. Box 629). WTD 2/68.

Leads for Importers

Commodities are offered direct unless specified

012 Fruit, tree nut, vegetable farms

AFGHANISTAN—Dried fruits, nuts, including pistachio, almonds, packaged according to customer's requirements. Heraye Joint Stock Co. (importer, exporter), Serai Malik, Herat. WTD 2/68.

019 Miscellaneous farms

PHILIPPINES—Live monkeys (cynomolugus macaca). Mr. Angel T. Viri, President and General Manager, A. T. Viri & Co., Inc. (exporter), West Rembo, Fort Bonifacio, Makati, Rizal; Box 2770, Manila. WTD 1/68.

227 Floor covering mills, products

AFGHANISTAN—Afghan carpets of all sizes, colors, designs. Doost Trading House (importer, exporter), Baghban Kutche 15, Kabul. WTD 2/68.

Old, new Afghan carpets of varying design, size, color. Heraye Joint Stock Co. (importer, exporter), Serai, Malik, Herat. WTD 2/68.

229 Textile goods

AFGHANISTAN—Wool scouring, washed; sorted by color, baled. Heraye Joint Stock Co. (importer, exporter), Serai Malik, Herat. WTD 2/68.

242 Sawmills, planing mills

BRAZIL—Any kind of cut or laminated wood of Brazil, especially jacaranda (rosewood), tulipe wood, mahogany for big shipments. Madeiras da Bahia S.A. Comércio e Industria

(manufacturer), Rua Conselheiro Dantas No. 5, cj. 601. Edificio Pernambuco, Salvador, Bahia. WTD in preparation.

COLOMBIA—High grade hardwood. Direct sales or manufacturers quotations available upon request. Industrias de Caribe Ltda. (exporter, wholesaler), Apartado Aereo (Airmail P.O. Box) 2087, Barranquilla. WTD 2/68.

264 Converted paper, paperboard products

COLOMBIA—School notebooks, tablets, folders, mounts, related products. Direct sales or agency. J. V. Mogollon & Co. (manufacturer, wholesaler, exporter), Apartado Aereo (airmail P.O. Box) 2, Cartagena. WTD 12/67.

384 Surgical, medical, dental instruments

PAKISTAN—Surgical instruments. Wishes to appoint representatives, distributors, jobbers. M. F. Elahi & Co. (E.P.) Ltd. (manufacturer), Wazirabad Road, P.O. Box 79, Sialkot City, West Pakistan. WTD in preparation.

399 Manufacturing industries

AFGHANISTAN—Cashmere wool, washed sorted, baled. Heraye Joint Stock Co. (importer, exporter), Serai Malik, Herat. WTD 2/68.

Cashmere wool, brown, beige or light yellow. Doost Trading House (importer, exporter), Baghban Kutche 15, Kabul. WTD 2/68.

CONGO—Hand-wrought copper articles including wall plaques, trays, dishes depicting typical Congolese art; malachite (semi-precious green stone) jewelry mounted in copper. L'Artisanat du cuivre (exporter, wholesaler, retailer), P.O. Box 3460, Lubumbashi. WTD 2/68.

SWAZILAND—Handmade baskets, necklaces, bowls, carved objects, traditional shields, spears, Swazi utensils. Special handicrafts can be made to order if specifications, bulk orders made; samples, catalogue on request. Will consider appointing distributor in United States for handicrafts, curios. Swaziland National Handicrafts (government agency), P.O. Box 549, Mbabane.

Construction Awards

TURKEY—Foster Wheeler Italiana S.P.A., an American based firm, has received an $18 million contract on TPAO (Petroleum Corporation of Turkey) Lube Oil Plant-Izmir Project.

The scope of work comprises complete lubricating oil refining facilities, including vacuum unit, propane deasphalting, furfural refining, MEK dewaxing, tankage, utilities, and general facilities.

The project scheduled for completion by the end of 1969 has been given top priority by the Ministry of Energy and Natural Resources. Approximately 60% of the contract includes procurement of equipment and tenders on a world wide basis which will probably begin in June 1968.

The Foster Wheeler contract will be financed by the Government of Turkey free foreign exchange. The contract includes engineering services and plant construction as well as procurement of equipment.

Foster Wheeler will also supervise the design and engineering work to be done by TPAO in Turkey.

Inquiries on the project should be addressed to R. J. Burcin and J. R. Eichna of Foster Wheeler Turkey, Inc., and Sermet Alpargun of TPAO—all located at Mithatpasa Caddesi 19, Yenisehir, Ankara, Turkey.

Visiting Buyers and Officials

Scheduled arrival dates and U.S. addresses indicated

AUSTRALIA—Norman K. Clayton, Sales Director, Clayton Bros. Pty. Ltd., Wollongong, N.S.W., interested in contacting U.S. manufacturers for sales representation of **banding tools for steel coils, marking equipment for steel products, polyurethane crane buffers, single and two speed electric hoists similar to "Clayton" and "Demag", chain blocks, industrial chemicals, equipment for oil and gas reticulation, products related to oil drilling, steel mill equipment, industrial valves including large bore ball valves and butterfly valves, hydraulic services for use in heavy industry, heavy duty universal shafts, synthetic brattice cloth for use in mining industry, coated and lined synthetic jacketed fire hose in 1½"-2½", expansion joints for pipelines, automated laundry and dry cleaning equipment, and in sales representation and/or manufacturing under license in Australia of mechanical and hydraulic jacks, motorized hydraulic jacks to 200-ton capacity, props for mining 6'-10' height and to 20-ton capacity, gear type motor couplings, hydraulic couplings similar to "Vulcan Sinclair", domestic dishwashers, refrigeration and air conditioning equipment for use with natural gas, burners for boiler conversion from oil to natural gas, conveyor and packaging equipment.** June 5 via New York for 3-4 weeks. After 2/20 c/o Grand Central Branch, Chase Manhattan Bank, 422 Lexington Ave., New York, N.Y. 10017. Itinerary: to be decided upon arrival. WTD in preparation.

Eric N. Greaves, Committee of Direction of Fruit Marketing, Sherwood Road, Rocklea, Brisbane, Queensland, and Mr. Wright, a packaging engineer for Australian Paper Mills, interested in purchase of **machinery to establish a plant for ripening, grading and packaging tomatoes and in observing processes and plant operation.** Mid-Mar. via San Francisco for three weeks. c/o Pan-American World Airlines in cities on itinerary. Itinerary: San Francisco, Los Angeles. WTD 1/68.

ECUADOR—Felix Garcia M., Agro-Comercial Cia. Ltda., P.O. Box 248, Guayaquil, interested in **representing and importing coin-operated phonographs.** Mar. 1 via New York for 15 days. c/o Balsa Ecuador Lumber Corp., 500 5th Ave., New York, N.Y. 10036. Itinerary: New York, Chicago, Miami. WTD 12/29/64 current.

ENGLAND—George T. Egee, Managing Director, and Rt. Hon. Earl Attlee, Director of Marketing, Marketing Associates (International) Ltd., The Manor, Dickleburgh, Diss, South Norfolk, interested in discussing **U.S./Eastern European trade and manufacturing under license arrangements between U.S./U.K.** Mar. 25 via Philadelphia for approx. four weeks c/o Department of Commerce Philadelphia Field Office or British Consulate General, 12 S. 12th St., Philadelphia, Pa. 19107. Itinerary: 3/29-4/1 Cleveland to attend World Trade Conference; 4/2 York, Pa. for Chamber of Commerce dinner; 4/5 Trenton, N.J. at Delaware Valley International Trade Association; 4/11 San Francisco at San Francisco World Trade Association; Detroit; Chicago; Syracuse; Buffalo; New York State. WTD 3/14/67.

GERMANY—Herbert Burkhardt, representing Heinrich Steinkamp, 4833 Varensell ueber Guetersloh, interested in **importing gift articles and in exporting gift and household articles.** Mar. 26 via New York for two weeks. c/o Fifth Avenue Hotel, 5th Ave. & 9th St., New York, N.Y. 10011. Itinerary: New York, Chicago, Philadelphia. WTD 2/13/68.

Karl August Rabeling and Jacob Juergensen, Heinrich-Hertz-Strasse 75, Hamburg 22, **interested in additional contacts with exporters of lumber and related products.** Mar. 20 via Elizabeth City, N.C. for one week. c/o L. R. Foreman & Sons Lumber Co., Elizabeth City, N.C. Itinerary: Elizabeth City, other N.C. cities as required. WTD 7/21/66 under revision.

ISRAEL—Eliezer Doovdevani, 23 Hatichon St., Savyon, interested in purchasing **machinery for manufacturing wooden pallets for plant** to be established in Israel and in **visiting plants of U.S. manufacturers of wooden pallets, containers, box pallets.** Mar. 25 via New York for three weeks. c/o Saranac Industries, Benton Harbor, Mich. 49022. Itinerary: week in Chicago, two weeks in California where would prefer to arrange all contacts. WTD 12/8/67 on Cooperative Haargaz Ltd.

NORWAY—Soren Bothner, Brodrene Brothner A/S, Harstad, interested in purchasing **sausage casings, canned, fresh and dried fruit.** Arrive via New York for 2-3 months. c/o Alvin Ray, 600 Solar Isle, Fort Lauderdale, Fla. 33301. Itinerary: West Coast cities, Chicago. WTD 2/68.

SWITZERLAND—Albert Graf, Engineer, G. H. Endress & Co., Florastrasse 11, 4153 Reinach, Baselland, interested in direct purchase and representation for **industrial measuring and control instruments for automation.** Mar. 25 via New York for two weeks. c/o Machinery Electrification Inc., 56 Hudson St., Northboro, Mass. 01532. Itinerary: Northboro; Pittsburgh; Philadelphia; New York; Providence, R.I.; Chesterland, Ohio. WTD 8/67.

TAIWAN—Herman Lo, Ho Chung Fishery & Ice Co., Ltd., 58-2 Lin Hai 2nd Road, Kaohsiung, interested in **exporting frozen sea products such as mahimahi, red snapper, shrimp, lobster.** Mar. 10 via Honolulu for one month. c/o Mitsui & Co. (U.S.A.) Inc., offices at 810 Richards St., Honolulu 96804; 510 W. 6th St., Los Angeles 90014; 200 Park Ave., New York 10017. Itinerary: 3/10-20 Honolulu, 3/23-30 Los Angeles, 4/5-10 New York. WTD in preparation.

New Books and Reports

***The International Year Book and Statesmen's Who's Who.* 1967. Published by Burke's Peerage, Ltd. London. 1482pp. $28.**

The 15th annual edition of this volume is a compilation of facts on international organizations and countries throughout the world.

The scope, activities, membership, publications and structure of various international organizations are detailed.

The area section presents information on government organization and personnel, area and population, currency, finance, industry, banks, communications, newspapers, education and religion for each country.

Biographical information on important people in industry and commerce is included.

Write: International Publications Service, 303 Park Ave. So., New York, N.Y. 10010.

***McGraw-Hill Directory and Almanac of Canada 1968.* Published by McGraw-Hill. New York. 1968. 864pp. $17.50.**

The 1968 edition of this annual reference book provides the answers to thousands of questions about Canada and Canadian affairs.

Among the features in this directory are: a brief history of Canada; shipper's guide to rail, air and water transport; lists of Canadian education officials, institutions, and libraries; a list of listed stocks, giving long-term percentage change figures; a table of weights and measures, given in both English and French; and a complete list, by classification, of Canadian associations and societies and their addresses.

Write: McGraw-Hill Book Information Service, 327 West 41st St., New York, N.Y. 10036.

***Imports of Manufactures from Less Developed Countries.* By Hal B. Lary. Published by National Bureau of Economic Research. New York. 1968. 286pp., $8.50.**

Imports of labor-intensive manufactures from developing countries by the United States and others have been increasing at a yearly rate of 13% since the early 1950's. In 1965, these imports totaled nearly $2.5 billion, and the author predicts they will reach $10 billion by 1975.

Although U.S. imports are the largest of those of the developed countries, they amounted in 1965 to less than 1% of total sales of similar products by U.S. manufacturers. Lary concludes that the chief condition for continued rapid growth in exports of manufactures by the developing nations is freer access to the markets of the developed world, and thus broaches the issue of tariff preferences.

Write: Columbia University Press, 2960 Broadway, New York, N.Y. 10027.

New Customs Journals

The following new International Customs Journals are available at the standard price of $3 for hard copy, 65¢ for microfiche.

British Solomon Islands	PB 177 394
Chile	PB 177 393
Ethiopia	PB 177 395
Gibraltar	PB 177 416
Guyana	PB 177 417
Singapore	PB 177 418

Write: Clearinghouse for Federal Scientific & Technical Information, U.S. Department of Commerce, Springfield, Va. 22151 (Attn.: Code 410.11.)

***The Food Problem of Developing Countries.* By Thorkil Kristensen. Published by the OECD. Paris. 1968. $3.**

The conclusions drawn by this survey are that the demand for food will increase more rapidly than agricultural production in the developing countries, and that OECD countries will have to contribute to the expansion of agricultural production and to help the developing countries finance needed food imports.

The increase in agricultural production in the developing countries will have to come mainly from improving yields per hectare, as there is little opportunity for extending the area under cultivation, the author concludes.

Write: OECD Information Center, Suite 1305, 1750 Pennsylvania Ave. NW., Washington, D.C. 20006.

***Overseas Business Reports.* U.S. Department of Commerce. Washington, D.C. 1967. $13 per year ($5 additional for overseas mailing), 15 cents per copy.**

Basic Data on the Economy of Belgium. OBR 67-88. Information is included on: geography, population, government, structure of the economy, agriculture, manufacturing, power, transportation and communications, labor force, finance, foreign trade, and the government's role in the economy.

Selling in Austria. OBR 67-89. Import requirements, transportation, commercial practices, marketing aids, government procurement, and information for business travelers are among the topics covered in this report.

Basic Data on the Economy of El Salvador. OBR 67-96. The same subjects covered in the report on Belgium listed above are also covered for El Salvador.

Write: any Department of Commerce field office or Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

***Legal Aspects of Yugoslav Foreign Trade.* A Selected Bibliography. Compiled by Adolf Sprudzs. Published by the University of Chicago Law School Library. 1968. 27pp. Free.**

Yugoslavia has enacted a number of important laws during the last decade designed to strengthen its economy and to facilitate commercial relations with other countries. Yugoslavia has joined GATT, the International Monetary Fund, the World Bank and the OECD, as well as become an associate member of COMECON.

As a result of these developments there has been a growing interest in the legal aspects of Yugoslav foreign trade. For the international lawyer, the businessman and the scholar looking for basic, up-to-date publications on the subject, this bibliography presents a key to such materials available in English, French, German and Serbo-Croatian.

The bibiliography concentrates on works published between 1962, when the basic Yugoslav Law on Exchange of Goods and Services with Foreign Countries was passed, and 1967.

Write: University of Chicago Law School Library, 1121 E. 60th St., Chicago, Ill. 60637.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1968—301-940/38

Calendar *for international traders*

ATLANTA—Mar. 28—In-Office Export Conference, Commerce Field Office. Sponsors: Commerce Field Office, REEC.

BETHLEHEM, Pa.—Mar. 28—Foreign Trade Assn. of Lehigh Valley monthly meeting, Holiday Inn East, 6 p.m.

CEDAR RAPIDS, Ia.—Mar. 19—Int'l Trade Bureau of Cedar Rapids Chamber of Commerce, monthly meeting and dinner, Roosevelt Hotel, 7 p.m. Speaker: Allen Taylor, Exec. Sec'y to U.S./Japan Trade Council.

CHICAGO—Mar. 21—In-Office Meeting, Commerce Field Office.

CLEVELAND—Mar. 21—Export Sales and Distribution Workshop, Conference Room, Cleveland World Trade Assn., 10 a.m. Sponsors: Commerce Field Office, Cleveland World Trade Assn., REEC, Small Business Admin.

CLEVELAND—Mar. 28—23rd Annual World Trade Conference, Statler Hilton Hotel, 8:10 a.m. Speakers: William Roth, Special Representative for Trade Negotiations, Torben Ronne, Danish Ambassador to the U.S. Sponsors: Cleveland World Trade Assn., Greater Cleveland Growth Assn.

DETROIT—Mar. 19—Export Marketing Workshop, Commerce Field Office, 9:30 a.m. Sponsors: Commerce Field Office, REEC.

DETROIT—Mar. 21—World Trade Club monthly dinner meeting, Pick-Fort Shelby Hotel.

EL PASO, Tex.—Mar. 26—Executive Conference on World Trade, Univ. of Texas at El Paso. Sponsors: Commerce Field Offices, REEC, Chamber of Commerce, Univ. of Texas at El Paso, Juarez Chamber of Commerce.

FAIRMONT, W. Va.—Mar. 27—Int'l Trade Seminar, Fairmont Hotel, 10 a.m. Sponsors: Charleston Commerce Field Office, REEC, Small Business Admin., Greater Fairmont Development Assn. .

KANSAS CITY—Mar. 28—In-Office Workshop for Exporters, 2 p.m., Federal Office Bldg. Sponsors: Commerce Field Office, REEC.

KENOSHA, Wis.—Mar. 26—Export Workshop, Chamber of Commerce. Sponsors: Milwaukee Commerce Field Office, Chamber of Commerce.

Calendar deadline

Information for publication must be received three weeks before the date of the announced event. Include time, place, sponsoring organization and special topic, if applicable. Meetings must be open to the public in order to be publicized in this space. **Write:**

Managing Editor,
International Commerce
BIC-204
U.S. Department of Commerce
Washington, D.C. 20230.

MEMPHIS—Mar. 19—Memphis World Trade Club, Sheraton Motor Inn. Speaker: REEC member Kemmons Wilson, board chm., Holiday Inns of America.

MEMPHIS—Mar. 20—Export Containerization Conference, Sheraton-Peabody Hotel. Speaker: **Maitland Pennington, Maritime Admin.** Sponsors: Commerce Field Office, REEC, Mid-South Exporters' Roundtable.

MIAMI—Mar. 20—So. Florida REEC monthly meeting, 12 noon. Sponsors: REEC, Commerce Field Office.

MIAMI—Mar. 27—In-Office Export Workshop, 10 a.m. Topic: Advantages of Shipping by Air. Sponsors: Commerce Field Office, So. Fla. REEC.

NEW ORLEANS—Mar. 27—Foreign Trade Committee meeting, International House.

NEW YORK—Mar. 19-20—Int'l Executives Assn. annual meeting, Hotel Statler Hilton.

NEW YORK—Mar. 20—Foreign Commerce Club Port of N.Y. Night, Grand Ballroom, Hotel Commodore.

NEWARK—Mar. 21—World Trade Assn. of New Jersey monthly meeting, Military Park Hotel, 12 noon. Speaker: E. K. Kaler, Frederick Chusid Co. Topic: Personnel Trends in Int'l Business.

ST. LOUIS—Mar. 22—Seminar on Combination Export Manager, Auditorium, Federal Bldg. Sponsors: Commerce Field Office, Small Business Admin.

SAN FRANCISCO—Mar. 20—Export Finance & Insurance Seminar, Rm. 13450, New Federal Bldg., 9:30 a.m.

SIOUX CITY, Ia.—Mar. 19—Export Workshop, 3 p.m.; Dinner, 6 p.m.; Joe Gantz Steak House. Speaker: John Jones, Continental Ill. Bank & Trust Co. Sponsors: REEC, Des Moines Commerce Field Office, Chamber of Commerce.

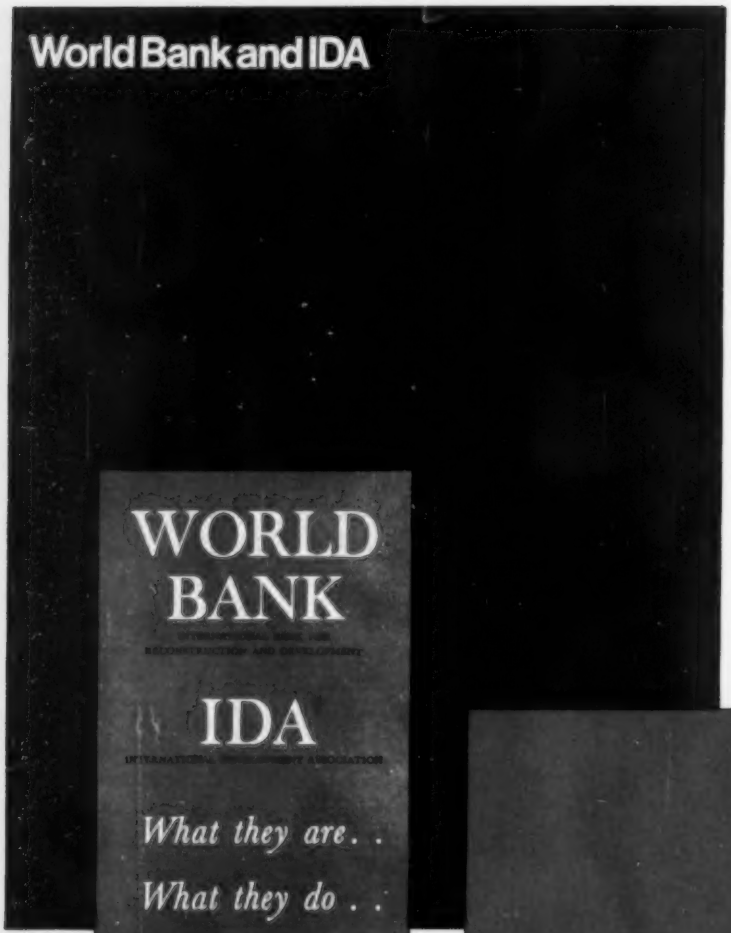
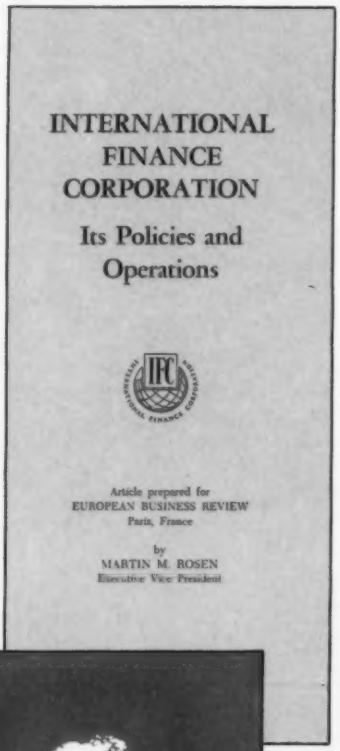
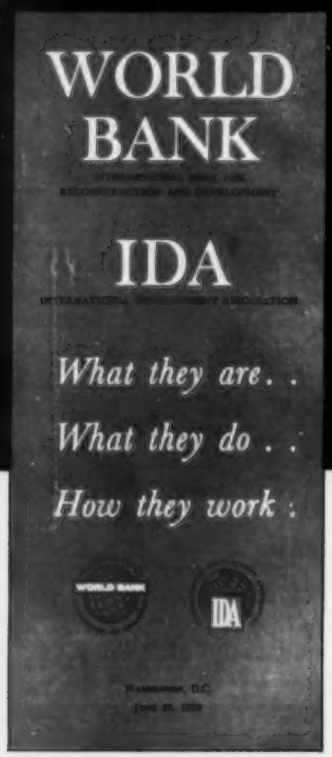
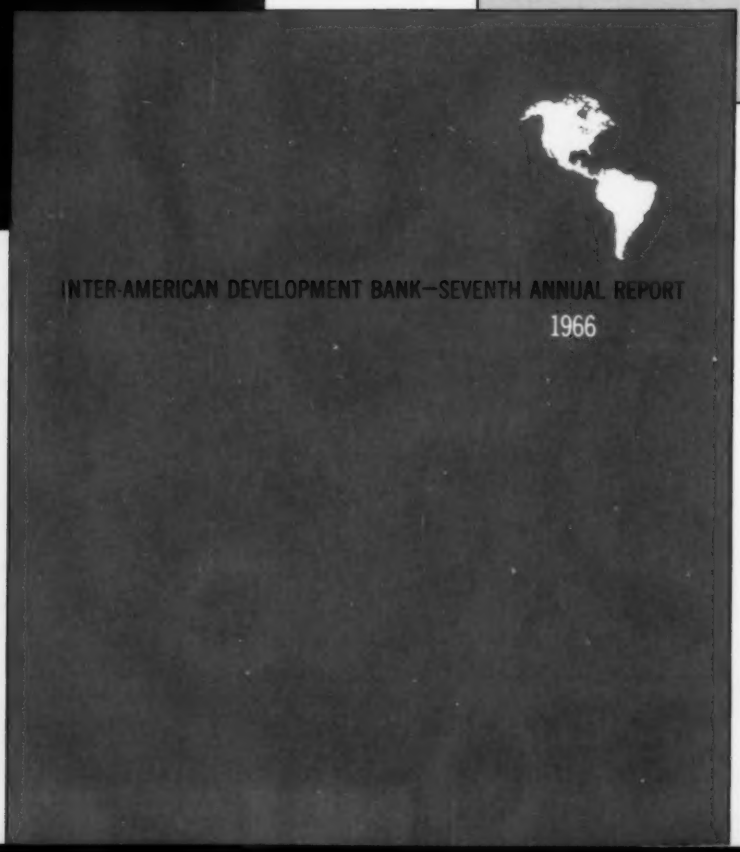
TULSA—Mar. 20—Int'l Trade Workshop for Exporters, Chamber of Commerce, 10 a.m. Sponsors: Commerce Field Office, REEC, Chamber of Commerce.

WESTBURY, N.Y.—Mar. 26—World Trade Club of Long Island luncheon meeting, Westbury Manor, 12 noon. Speaker: Francis X. Boylan, Pres., FCIA.

UNITED STATES
GOVERNMENT PRINTING OFFICE
DIVISION OF PUBLIC DOCUMENTS
WASHINGTON, D.C. 20402

OFFICIAL BUSINESS

CR - MAY 46129
UNIVERSITY MICROFILMS
SERIALS SECTION
300 NORTH ZEEB RD
ANN ARBOR MICH 48106

AGE AND FEES PAID
RNMENT PRINTING OFFICE

st-Class Mail